

Marcos Acknowledges Split in Military

Worry Expressed
Over Ver, Ramos

By Seth Mydans
New York Times Service

MANILA — President Ferdinand E. Marcos said Monday he was prepared to file charges if necessary against senior military officers to help resolve a factional dispute that he said was dividing the Philippine armed forces.

"We have never admitted this," Mr. Marcos said in an interview. "The military is a very important part of the government, and we are all sitting on the same bench. They are watching each other."

General Fabian C. Ver is the chief of staff. He was promoted on Dec. 3, the day after he was acquitted on charges of involvement in the 1983 assassination of the opposition leader Benigno S. Aquino Jr.

General Fidel C. Ramos, General Ver's deputy, served in his place during his year's leave after being implicated in the Aquino assassination. During that year, General Ramos became the focus of hopes for reform. He hinted that he would consider resigning his commission.

"I called the two generals," Mr. Marcos said, "and told them, 'I want you to call all these people and tell them this has got to end.'"

(Continued on Page 6, Col. 5)



Ferdinand E. Marcos



Corazon C. Aquino

Aquino May Seek Trial of Marcos

By Seth Mydans
New York Times Service

MANILA — The opposition candidate for president, Corazon C. Aquino, said Sunday that if she was elected Feb. 7 she would probably put President Ferdinand E. Marcos on trial for the murder of her husband.

"I will file charges against him," she said. She modified her statement later to say: "Maybe I will be one of many. Maybe it doesn't even have to be me."

In an interview at her home after a rally to launch her election campaign, Mrs. Aquino said she did not have a specific program of government and that "the only thing I can really offer the Filipino people is my sincerity."

She said she had told supporters who urged her to run, "What on earth do I know about being president?"

Taking part in the interview were A.M. Rosenthal, executive editor of The New York Times, and Warren Hoge, the paper's foreign editor.

Mrs. Aquino, who says she is not a politician and became a candidate reluctantly, appeared uncertain about some of the key issues involved in the election.

"I'll have to admit to you, I'm

Mine Kills 6 in South Africa

Army Threatens
Zimbabwe After
Border Blast

By Andrew Torchia
The Associated Press

JOHANNESBURG — Six whites were killed and five were injured seriously when their truck hit a land mine near the border with Zimbabwe, an army spokesman said. Defense Minister Magnus Malan, threatened Zimbabwe on Monday with retaliation.

The African National Congress claimed responsibility for the incident, which took place late Sunday. Tom Sebina, spokesman for the outlawed guerrilla organization in Lusaka, Zambia, said that the explosion and other recent attacks claimed by the group represented an intensification of the armed struggle against white-minority rule in South Africa.

General Malan threatened South African military retaliation across the border if Zimbabwe did not crack down on what South Africa has described as guerrilla infiltration from its northern neighbor. Zimbabwe has denied that the rebels operate from its territory and has accused South Africa of massing troops on its border.

An army spokesman said the mine that exploded Sunday was planted at the same time as those that exploded last month. The New York Times reported from Johannesburg. Soldiers have found and defused four other land mines in the area and have maintained daily patrols along the border with Zimbabwe.

The two families involved in the land mine explosion were of African descent.

Mr. Sebina denied that the guerrillas were based in Zimbabwe. He said the mines were planted by guerrillas units "based in and operating within South Africa."

The South African Press Association quoted General Malan as saying Monday, "South Africa will not tolerate such actions and I must warn that this could lead to a situation similar to that of SWAPO in Angola."

South African forces have repeatedly invaded Angola to attack guerrillas of the South-West Africa People's Organization. SWAPO (Continued on Page 6, Col. 4)



The Associated Press

Shultz Meets Kadar

U.S. Sees Chance
Of Wider Contact
With East Bloc

By Bernard Gwertzman
New York Times Service

BUDAPEST — Secretary of State George P. Shultz said Monday that East-West relations were now at "a very important moment" that could lead to a strengthening of ties between the United States and the Communist states of East Europe.

Following a meeting with Janos Kadar, the Hungarian leader, Mr. Shultz said that if Soviet-American relations continued to make progress, "in the normal course of events," he would expect to see more trade and cultural exchanges with Soviet bloc nations.

Mr. Shultz, for the first time on his three-nation trip to East Europe, noted the possibility for wider and more productive ties if meetings between President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, produced concrete results.

A senior aide to Mr. Shultz said that Mr. Kadar and other Hungarian leaders stressed the role that an easing in Soviet-American relations would play in the ability of East Europeans to move more flexibly in international affairs.

In sharp contrast to his talks Sunday in Bucharest with President Nicolae Ceausescu, in which Mr. Shultz expressed U.S. concern about human rights in Romania and warned that Romania was in danger of losing its most-favored-nation trade status, Mr. Shultz praised the leadership of Mr. Kadar.

He said that he was sympathetic to Hungary's request that its most-favored-nation status be awarded on a longer term basis than the current annual extension. Hungarian officials complained, Mr. Shultz said, that under current U.S. law they could only be certain of retaining the preferential tariffs on a yearly basis.

This makes it difficult for Hungarian exporters and U.S. importers to engage in long-term planning because they cannot be certain that the tariffs will not be increased.

Mr. Shultz said that he assured his hosts that there was no danger of the United States revoking Hungary's trade preference.

In contrast, there are three bills pending in congress to strip Romania of most-favored-nation status because of purported arrests and persecution of some Christian sects.

Mr. Ceausescu and Mr. Shultz agreed Sunday to set up machinery under which high officials in Washington and Bucharest would deal directly with human rights violations in Romania, a senior U.S. official said.

Mr. Ceausescu, according to a U.S. official, denied there had been persecution of Christians. He asserted that the Romanian Orthodox Church was the savior of Romania during the long years of Turkish occupation and that Romania was a "Christian country."

He also criticized the United States for failing to provide Romania with high-technology products even though Romania is regarded by the United States as independent of the Soviet Union in foreign policy.

Romanian exports to the United States reached \$1 billion last year while U.S. exports to Romania were only about \$200 million. This gave Romania a huge trade surplus.

Lange Says France Could Hold Agents

United Press International

WELLINGTON, New Zealand

In a surprising reversal, Prime Minister David Lange said Monday that two French secret agents arrested for manslaughter in the bombing of the Rainbow Warrior might be sent home before their sentences are finished if France promised to keep them in prison.

Mr. Lange linked the return of the agents to New Zealand's demand for \$16 million in compensation from France for the sinking of the Greenpeace ship in Auckland harbor on July 10. France sabotaged the ecology group's vessel to stop it from taking part in a protest against a French nuclear test.

Mr. Lange said Monday he would never negotiate "a release to freedom" for the agents. He had previously declared that the two agents would serve their 10-year sentences in New Zealand.

France admitted sending the agents, Captain Dominique Prieur, 35, and Major Alain Mafart, 35, to help on the boat. A Greenpeace photographer was killed.

Mr. Lange said that if his nation agreed to send the agents to France, he "would want to know that there are guarantees that they are going to be imprisoned."

Asked if their return would be sought at the compensation talks in New York, which are called, Mr. Lange said: "After that I said now I have no doubt at all it will be."

He said it was "totally unrealistic" to talk about releasing the agents "anywhere in the near future."

Longer term, I don't know what might happen there, but it would be a long term," he continued. "And I want to tell you that this government is not prepared to negotiate a release to freedom of those two people under any circumstances."

U.S. Budget Cuts: Squeeze for GAO

By George Lardner Jr.
Washington Post Service

WASHINGTON — The General Accounting Office, which will have the final word on \$11.7 billion in cuts suddenly demanded by the new act to balance the budget, will have just five days, including a weekend, to deliver its verdict to the president.

"We'll just have to drop other work, but the problem isn't going to be finding enough bodies," the GAO's general counsel, Harry R. Van Cleave, said last week. "It's going to be finding enough people with the required skills."

Under the new legislation, already being challenged in court, the Office of Management and Budget and the Congressional Budget Office would do the initial work of calculating program-by-program spending reductions

under a complicated formula spelled out in the bill.

Their report, as one congressional summary puts it, "would contain all of the information needed to prepare the presidential order" for the president's signature.

Reagan gambles that his visit to Capitol Hill will salvage tax reform. Page 3.

Under the law, the president is nature "and, in essence, would constitute a draft order."

The draft is to be sent to the GAO on Jan. 15, and the head of that agency, Comptroller General Charles A. Bowsher, would be required to have it reviewed.

Such critics of the law as Alan B. Morrison, head of the Public Citizen Litigation Group, maintain that the GAO is simply meant to give a quick blessing to the cuts and cast "an attempted constitutional gloss" over the procedure.

"They've never done a thing with the budget," he said. "Now they have three working days to review an extraordinarily complicated report with people who have no expertise in the field."

Under a 1976 Supreme Court decision, appointed officials exercising "significant authority pursuant to the laws of the United States" must be appointed by the president. While the GAO is generally considered a congressional watchdog on the public purse, the comptroller general, unlike the director of the Congressional Budget Office, is a presidential appointee.

Europe Balks at Accepting Lead Economic Role

By Paul Lewis
New York Times Service

PARIS — Once again, Western Europe is being urged to serve as "locomotive" for the world's economy. But its governments, seared by the problems that followed Europe's last time in the global leadership role, are balking.

The pressure, coming from diverse quarters, is intense. The Reagan administration, the International Monetary Fund, the Organization for Economic Cooperation and Development and many policy-makers and academic economists are urging European nations to step up economic growth by lowering taxes and increasing government spending.

"Europe is not doing enough to fill the growth gap left by the U.S.," said Professor Richard Portes, who directs the Center for Economic Research in London.

Without greater vigor in Europe, it is feared, the slowdown from 1984's rapid growth rate in the United States will leave the whole Western economy growing at a dangerously slow rate in coming years. That would make it harder for the United States to cut its trade deficit and resist

protectionism. Sluggish growth in Europe also would hurt Third World exports and increase the risk of a new debt crisis, and it would push Europe's already high unemployment rate even higher.

So far, however, West Germany and Britain, the two countries best positioned to help the world economy grow faster, are refusing any significant relaxation of their present tight economic policies. The two countries argue that greater stimulation would sacrifice the progress they have made in curbing inflation and getting public spending under control.

In October, the European Community's Executive Commission urged economically stronger members such as West Germany and Britain to adopt more expansionary policies, including broad tax cuts and increased government spending. Otherwise, the commission warned, growth in Europe would be stuck at about 2.5 percent a year for the rest of the decade, with no significant fall in the EC's 11-percent jobless rate.

"A disorderly adjustment process in the U.S. and a worsening of the developing countries'

debt problems would make the outlook even more gloomy," the commission added.

The consensus among economic forecasters is that the U.S. economy will slow from an unsustainable 6.8-percent rate of growth last year to around 3 percent this year and next. As a result, growth in the industrial world as a whole will fall from 4.9 percent in 1984 to 3 percent this year and in 1986. West Europe's contribution will be unchanged at about 2.5 percent in each of these three years.

But the IMF, the OECD and many private economists believe that a 3-percent growth for the Western industrialized countries is the minimum needed to enable Third World countries to pay interest and principal on their debts, the United States to slowly correct its trade deficit and Europe to avoid a further rise in unemployment.

Further complicating matters is the agreement to devalue the dollar that was announced in September in New York by the United States, Japan, West Germany, Britain and France. A lower dollar would help make American goods

(Continued on Page 17, Col. 1)



The Reverend James Reid passed the American flag to army Specialist-4 James Burges of Philadelphia after the memorial service in Gander, Canada, for the crash victims.

From Gander, a Message to Crash Victims' Families

By Christopher S. Wren
New York Times Service

GANDER, Newfoundland — The driving snow had abated but a bitter wind rattled the flags flying at half-staff when Gander's townspeople turned out to mourn the 256 Americans killed in last week's air disaster.

The Newfoundlanders, bundled against the cold, overflowed St. Martin's Anglican Cathedral, where the ecumenical service was held Sunday. When no more could fit in, they spilled down the street to St. Joseph's Roman Catholic Church to follow on a closed-circuit television set.

They never knew the soldiers from the 101st Airborne Division who had died sleepily-eyed before dawn Thursday into the transit lounge of Gander International Airport.

There the soldiers bought homecoming gifts, sang impromptu Christmas carols, and phoned loved ones before embarking on the final leg of a flight back from six months of peacekeeping duty with the 11-nation force in the Sinai Peninsula.

The town woke to the explosion that lit up the woods beyond the runway when the DC-8 jetliner crashed after takeoff, killing all 248 soldiers and the eight crew members aboard.

to determine what caused the crash, Canada's worst domestic aviation disaster.

The victims, who had been lying in a temporary morgue inside an airport hangar, were flown to Dover, Delaware, starting Monday. The thousand or more Gander townspeople at the service Sunday

came because they wanted to let the grieving American families at Fort Campbell, Kentucky, and elsewhere know that they cared.

The hour-long memorial service in the snug, white chapel of St. Martin's was not one false note in its outpouring of affection and sympathy for what the Anglican rector, the Reverend James Reid, called the town's "extended family" in the United States.

Though dignitaries like Newfoundland's lieutenant governor, Anthony B. Paddon, and the U.S. ambassador, Thomas Niles, arrived to take part, the gesture belonged to the town.

"This is not a media event; this is a memorial service," said Douglas B. Sheppard, the mayor of Gander,

who limited the access of television crews and photographers. "We are looking for all those people across the United States who, lost their sons and daughters."

Captain Stephen French, of the Salvation Army, led townspeople in reading responsively from Psalm 46, which refers to God as "our

refuge and strength, a very present help in trouble."

They listened as the Reverend Frank Curtis, the pastor of the United Church, read verses from St. Paul's first letter to the Corinthians about the Resurrection. At the end, the Newfoundlanders sang the "Battle Hymn of the Republic."

The Reverend Edward Bromley, the town's Catholic priest, said in his homily that the disaster had made Gander reflect on its own fragility. He asked that the townspeople remember "our brothers and sisters in the United States" who lost loved ones in the crash.

The memorial service was conceived by the six local churches in Gander, a town of 12,000 that grew up around the airport here.

"In Newfoundland, it's one way of a community working through a grieving process," the deputy mayor, Sandra Kelly, said in an interview earlier. "People always expect that when something happens, everybody hangs together here. The phone just kept ringing and people were asking, 'Are you going to do

this? People would have been very upset if we hadn't done it.'"

Gander experienced two lesser crashes in 1946 and 1967, though this time it was harder to help, Miss Kelly said, because there were no survivors to care for.

Copies of a videotape of Sunday's service will be sent to Fort Campbell for distribution to families who want to know more about this faraway corner of North America where their loved ones died.

Reagan Pays Tribute

David Hoffman of The Washington Post reported from Fort Campbell:

President Ronald Reagan paid tribute Monday to the soldiers who died in the crash and offered solace to their families.

"In life they were our heroes, in death our loved ones, our darlings," he said.

"I know that there are no words that can make your pain less, or make your sorrow less painful; how I wish there were."

Mr. Reagan told members of 135 families and several hundred soldiers who gathered in a hangar at Fort Campbell.

"But of one thing we can be sure: as a poet said of other young soldiers in another war, they will never grow old, they will always be young," Mr. Reagan said. "And we know one thing with every bit of our thinking — they are now in the arms of God."

Then the president and Nancy Reagan personally comforted every family member. Moving slowly through the hangar, Mr. Reagan greeted them all with both arms outstretched, signing tributes to the fallen soldiers. His wife embraced family members.

The scene brought tears to soldiers of the 101st Airborne Division who had returned to the United States the week before.

Investigators found the DC-8 suddenly veered and lost speed before it crashed. Page 4.

INSIDE

■ Angola indicated at a ruling party congress that it would not slacken Soviet ties. Page 2.

■ Fearing a "raid" on the state's water, Utah has taken over a federal project. Page 3.

■ An opponent of Chancellor Helmut Kohl began his campaign in West Germany. Page 4.

■ South Korean leaders will pursue talks with North Korea in the new year. Page 5.

BUSINESS/FINANCE

■ Economists said the United States would probably have slightly higher economic growth next year. Page 11.

■ Midcon Corp., the pipeline company, is the target of a \$2.6-billion takeover bid. Page 11.

TOMORROW

Despite confusion about a U.S. space-based missile defense, the program is moving ahead with a momentum that will be hard to stop. The first of three articles appears tomorrow.

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SCOTCH WHISKY

Angola Congress Indicates Soviet Ties Remain Firm

By James Brooke
New York Times Service

LUANDA, Angola — If the statements heard at a party congress last week are any indication, Angola is not about to lessen its ties to the Soviet Union or ease out 30,000 Cuban troops helping to fight a 10-year bush war against anti-Communist guerrillas.

The congress, the second held by the ruling Marxist-Leninist Popular Movement for the Liberation of Angola since independence from Portugal a decade ago, rang with speeches of bravado and defiance of the West.

President José Eduardo dos Santos warmly praised Havana and Moscow, and linked the United States to South Africa, his main external enemy.

"Warlike circles of the United States of America persist in encouraging racist South Africa to continue an aggressive and destabilizing policy against neighboring countries," he said at the closing session.

He vowed that Angola would never again be "colonized or subjected to any form of domination." Angola has become the focus of an important foreign policy decision for the Reagan administration. After a decade of noninvolvement in the Angolan civil war, Washington is considering providing open or covert aid to the anti-government forces of Jonas Savimbi, which control a large part of southern Angola.

Mr. Savimbi is openly supported by South Africa, whose apartheid regime is anathema to much of black Africa.

Washington has long been trying to negotiate a comprehensive peace agreement in southern Africa in which Cubans would leave Angola in exchange for a South African departure from South-West Africa. Pretoria rules that territory, also

The U.S. threat of aid to the rebels seems only to have made the government cling more to Cuban troops helping to fight the bush war.



José Eduardo dos Santos

known as Namibia, in defiance of the United Nations.

Reagan administration officials have said disbursement of aid to the rebels will be delayed until early next year, in hopes that the threat of aid will force Luanda to set a timetable for getting the Cubans to leave.

But the congress speeches indicated that the threat, so far at least, has only made the Angolan government cling more to the Cubans.

Some diplomats and others said they believed that Mr. Savimbi's National Union for the Total Independence of Angola, which is known by its Portuguese acronym, UNITA, has become so strong that

the ruling party would be toppled if it were not for the Cubans.

The weeklong party congress, the first in five years, elected a new central committee, which will serve until 1990. It is dominated by army commanders.

Mr. Dos Santos, reading from a report prepared by the outgoing central committee, said:

"The Soviet Union with its material, moral, political and diplomatic support continues to be the dependable rear guard of all people who struggle for freedom and independence. Cuba's sons have irrigated our sacred soil with their blood and have supported, shoulder-to-

shoulder with their Angolan brothers, the defense of the conquest of the revolution against external aggressions."

He also said: "The racist state of South Africa has become the faithful guardian of the strategic interests of the U.S. in southern Africa."

In July the Angolans, angered by the repeal of U.S. legislation preventing aid to Mr. Savimbi, suspended negotiations with South Africa that U.S. officials have brokered for three years.

In November, the talks resumed. The chief U.S. negotiator, Chester A. Crocker, assistant secretary of state for African affairs, is expected to come to Luanda within a month. But diplomats in Luanda ex-

pressed skepticism last week that the regional peace talks would lead anywhere.

"The Angolans see negotiations as a stalling operation to stave off aid for UNITA," a Western diplomat said.

An African diplomat said: "With the people elected to the new central committee, the Americans should expect a tougher stand."

Hermínio Escobar, general director of the state oil company, Sonangol, said, "How is it possible that U.S. companies can have important investments in Angola, and their government is ready to destroy those U.S. assets?"

Although the United States does not have diplomatic relations with Angola, U.S. companies in cooperation with the state oil company produce about 70 percent of Angola's oil. Last year, the United States bought about half the country's oil production.

Conservatives Plan Stand

Conservatives plan to make aid for Angolan rebels their primary foreign policy objective next year, according to spokesmen for conservative lobbying groups. The New York Times reported Sunday from Washington.

A conservative strategist said: "Next year this will be the litmus test of the seriousness of the Reagan administration's commitment to the cause of freedom fighters."

Howard Phillips, chairman of the Conservative Caucus, said: "The real issue is whether we will permit the Soviet Union to replace South Africa as the dominant power in the region. It's a fundamental issue, and this is the moment of truth."

He added: "No politician will receive conservative support for the presidency in 1988 who's not right on this issue."

WORLD BRIEFS

Uganda Accord to Be Signed Today

NAIROBI (AP) — The Ugandan government and opposition guerrillas have completed work on a peace agreement and are to sign the accord Tuesday, Kenya's president announced Monday night.

President Daniel arap Moi, who has mediated off-and-on talks between the two sides since August, was flanked by leaders of the rival delegations as he made the announcement outside his office.

Mr. Moi early last week said the treaty would be signed Friday, only to have his plans thwarted by disputes between Uganda's military government and the National Resistance Army. But Monday night's announcement differed from the previous one in that it was made in the presence of Uganda's head of state, General Tito Okello, and the guerrilla commander, Yoweri Museveni.

Offer for UPI Might Be Withdrawn

WASHINGTON (WP) — A Mexican newspaper publisher, Mario Vazquez Rana, has threatened to withdraw his offer of \$41 million for United Press International unless a federal bankruptcy judge approves a reorganization plan.

An attorney for Mr. Vazquez, Leslie Nicolson, told Judge George F. Bason that the court's failure to approve the preliminary agreement would do "incalculable damage to UPI." Mr. Vazquez and a Houston financier, Joe Russo, agreed last month to purchase UPI. The news agency filed in April for protection under Chapter 11 of the Federal Bankruptcy Code.

EC Ministers Meet on Treaty Revisions

BRUSSELS (Reuters) — European Community foreign ministers met Monday to try to complete work on an agreement reached at an EC summit meeting in Luxembourg two weeks ago on revamping the group's 1957 founding treaty.

But despite an appeal from industrial leaders for rapid implementation of the accord, there appeared little hope of the deal being ready for signing in the near future.

Diplomats said that member countries still were divided over many issues and that it could take several months before governments signed the revised treaty, which then has to go before national parliaments for ratification. Ministers are wrangling mainly over a proposed minor increase in the powers of the European Parliament.

Belgium Arrests Bombing Suspects

BRUSSELS (Reuters) — The alleged leader of a group of Belgian guerrillas, Pierre Carette, was arrested Monday with three other suspects in the southern city of Namur, the justice ministry said. A statement by Justice Minister Jean Gol said all four were armed but did not resist arrest.

Mr. Carette is suspected of leading the extreme leftist Fighting Communist Cells, which have carried out 27 bomb attacks in the last 14 months on North Atlantic Treaty Organization, United States and Belgian establishments targets.

The statement said the others arrested were two men, Didier Chevolet and Bertrand Sassoye, and a woman, Pascale Vandeguerde. It said some of the four were carrying forged identity papers.



Pierre Carette

Ex-Reagan Adviser Acquitted of Fraud

NEW YORK (AP) — Thomas C. Reed, a former adviser to President Ronald Reagan, was acquitted Monday of charges that he used inside information to make a \$47,000 profit in stock options, then fabricated documents to cover up his actions.

Mr. Reed, 51, became a special national security assistant to Mr. Reagan in 1982. He resigned in 1983 amid mounting criticism of his options trading.

The federal court jury in Manhattan acquitted Mr. Reed of one count each of securities fraud, wire fraud and obstruction of justice. Conviction would have carried a maximum sentence of five years in prison on each count.

For the Record

French air controllers plan a one-day strike Friday at the start of the Christmas holiday period to back a claim for better pensions. (Reuters)
Millennium Dimes, 74, a former heir apparent to Tino and now the best-known Yugoslav dissident, was reported in a hospital Monday after suffering a heart attack and lung edema. His wife said he was out of immediate danger. (AP)

The United States will continue economic aid to Ghana despite a strain on relations caused in November when a former CIA employee in Ghana, pleaded guilty to giving a Ghanaian the names of CIA contacts in Ghana, the State Department said Monday. (UPI)

The Senate confirmed Margaret M. Heckler as U.S. ambassador to Ireland on Monday. Mrs. Heckler, eased out as secretary of the Health and Human Services Department, was confirmed for the ambassadorship by voice vote. (UPI)

Nigeria has suspended death sentences imposed for drug and oil trafficking during the government of Major General Mohammed Buhari while the cases are reviewed by a judicial tribunal, Lagos radio reported Monday. General Buhari was deposed in August. (Reuters)

A U.S. jury in Orlando, Florida, convicted two persons and acquitted four others Monday of conspiring to ship 1,140 U.S. anti-tank missiles to Iran. The convicted are Paul Carter, 47, and Charles St. Claire, 52. Sentencing is scheduled for Jan. 21. (AP)

The U.S. Supreme Court cleared the way Monday for an accused Nazi criminal, John Demjanjuk, 65, to be extradited to Israel. He is alleged to have helped kill 900,000 Jews at a death camp in Treblinka, Poland. (AP)

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Reagan Signs Bill On China Accord

WASHINGTON — President Ronald Reagan signed a bill Monday to put into effect an accord on peaceful nuclear cooperation that the United States and China agreed to last summer.

Mr. Reagan said in a statement that the agreement would have "a significant, positive effect" on relations between the two countries and would lead to a continuing dialogue on important nuclear energy and nonproliferation matters. It is also expected to mean billions of dollars in contracts for American companies.

Congressional negotiators earlier avoided a confrontation with Mr. Reagan by deleting restrictions that White House officials had said would scuttle the pact. The agreement, which was signed last July, is limited to a general outline for the peaceful uses of nuclear energy.

The Sun also sets.

If all you want on your holiday is sunshine, you're too easily satisfied. You're also fortunate, because the world is full of places, some nice and some quite nasty, that can give you what you seek.

But what will you do when you've had enough sun?

And what will you do when it sets?

A holiday should be a pleasure at any hour you favour, under the sun or the stars, in your choice of landscape, whether you're active or sedentary, culture-minded or hedonistic.

If you agree with us, and want your holiday to satisfy all of your senses and sensibilities, read on about Spain.

The mountains or the shore?

Spain has plenty of both. Our mountains, among the highest in Europe, offer some of the world's best and least crowded skiing. There's great climbing, too, and every other mountain sport in season.

As for the shore, take your choice of beaches from nearly 6,000 Km. of coastline.

Have a great Spanish holiday at sky level or at sea level.

It's up (or down) to you.

What if you sunburn easily?

Spend part of each day indoors. In shops, for instance, selling choice leather, lace, porcelains, antiques and art. Or come indoors to see things money can't buy. In the great museums of



Spain are displayed troves of priceless treasures. Or stroll in the shade of castles and palaces, mosques and alcazars.

Spain has thousands of ways to tempt you in, out of the sun.

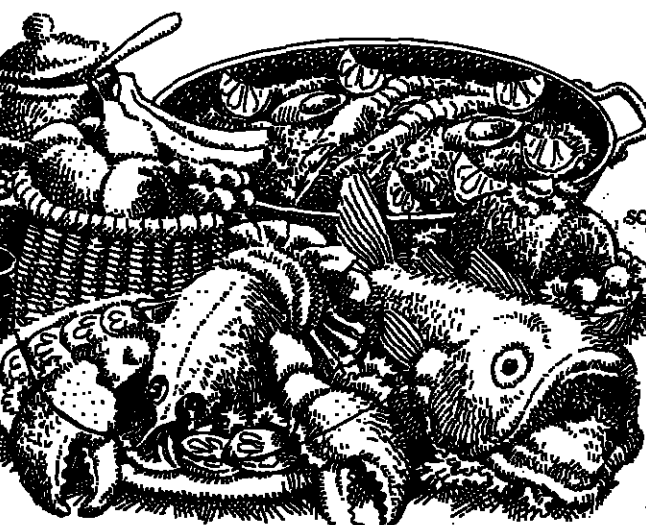
What happens after sunset?

You understand a people when you understand how they eat.

Not just the cuisine, but where, how, when and with whom it is enjoyed.

We start with "tapas", snacks in amazing variety, eaten at stand-up bars at eight or nine in the evening. That's the time to meet us and make new friends, in the hours before dinner starts at ten or eleven at night.

Then you can maintain the informal note or go to dress-up places serving haute cuisine as splendid as any in Europe. As for us, we love seafood simply prepared, and even hundreds of miles inland you'll find it fresh daily. Our regional dishes are so varied that you might think they come from many countries and cultures. And our



regional wines keep them perfect company.

By the time you've savored the last of your Spanish brandy, you will have had a late night. And the fun is only starting.

Enjoy our longest, latest nights.

At Spanish fiestas, the party seldom stops until sunrise.

And at many, not until two or three sunrises have passed.

No matter when you come to Spain, you will find a fiesta somewhere. There are literally hundreds throughout the year. Some are simple Saints' days in little village squares. But these are often wonderful for their intimacy, the welcome given to strangers and their sense of natural, unplanned gaiety.

Others are spectacles, elaborately staged and wardrobe. See processions, mock battles, floral decoration competitions, wine harvests or solemnly impressive holy days. Or watch the breaking of wild horses or the showing of exquisitely trained horses. Or see the running of the bulls at the St. Fermín fiesta in Pamplona, made famous by Hemingway.



Every fiesta is a party, and you're invited to them all.

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If night clubs, casinos, ballet, opera, jazz, folk music, discos, rock music and flamenco dancers don't interest you, there really isn't very much.

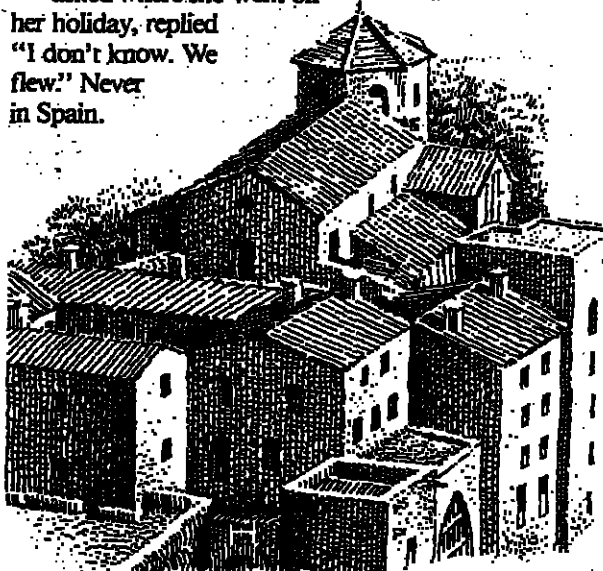
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Requests for a N.Y. 'Santa': Pert Noses, Eye Lifts, Less Flab

By William F. Geist

NEW YORK—It's Christmas time in the city. Children gaze wide-eyed into store windows, the aromas of roasting chestnuts and sidewalk Christmas trees fill the air, Santas ring bells on street corners and Dr. Elliot Jacobs' office becomes as busy as Santa's workshop.

He's checking his list. Let's see, George wants a nicer nose, Josephine asks for a firmer chest and Maura wants an eye lift.

Dr. Jacobs, plastic surgeon, has been hard at work in recent days, performing all manner of augmentations, corrections and nips and tucks on scalps, foreheads, noses, eyes, ears, chins, throats, breasts, hips, thighs and calves.

There is no rest for the weary. Doctors take an oath. Dr. Jacobs' suction liposuction machine, which removes fat from abdomens, hips and thighs with a plastic hose—in a way that seems almost absurdly basic—whirs nearly incessantly during the holiday season, filling jars with fat.

This is the busy season for New York's rather substantial community of plastic surgeons serving the city's rather substantial cosmetic surgery needs—and providing the opulent with a relief valve for disposable income.

"People want to look their best for holiday parties," Dr. Jacobs said between operations in his office.

"A lot of the patients are also going on cruises or trips South," he said. "And before this rush has a chance to calm down, we'll be hit with students on Christmas vacations coming in for their nose jobs."

Some patients have cosmetic surgery done to fight holiday depression, and others want to beat the deadline for deducting the surgery from their 1985 income-tax returns.

Cosmetic surgeons on Park Avenue get emergency calls at this time of year. Dr. Jacobs said that patients call up on weekends and in the middle of the night, desperate to make appointments right away so that they will look good in time for some party, ball or gala.

"Cosmetic surgery is becoming so common among some of these people," he said, "that they treat it like a trip to the hairdresser."

Some people stop by on the way to the airport for a few hundred dollars worth of Collagen shots,

women, although New York women tend to purchase somewhat smaller models than those in other parts of the country.

He said his patients sometimes start in waving pictures of models they have torn out of maga-

zines, and then we've got it," said Paul C. Summers, assistant director of the Division of Water Resources in Utah, where a proposal by Denver entrepreneurs to divert water from the Colorado River to San Diego, almost 1,000 miles (1,600 kilometers) away, is regarded with much apprehension.

'People want to look their best for holiday parties, and before this rush has a chance to calm down, we'll be hit with students on Christmas vacations coming in for their nose jobs.'

—Dr. Elliot Jacobs, plastic surgeon

zines, saying, "This is the nose I want." Sometimes they want the whole face. Some bring in pages torn from Playboy magazine showing breasts they would like.

"Bo Derek breasts and Michael Jackson noses have been very popular," he said. He is proud to say there is no single, readily identifiable Jacobs nose.

His desk drawers are crammed with all sorts of silicone and inflatable implants, which he is delighted to pull out and demonstrate.

"Look at this," he said, whipping out a silicone chin implant and sticking it on his chin. "It comes with a dimple too!" (No extra charge.)

In the waiting room, with its walls of mirrors, patients said they overheard the most fascinating discussions. There was the woman whose buttocks lift went askew, forcing her to stand for the last three months, even through dinner parties.

"I became ill when I tried on swimming suits," said a patient, "but I decided to buy one anyway, wear it to the doctor's office and have him get rid of everything bad that shows."

when he was growing up, it seemed like all of the teen-agers had either the "Diamond nose" or the "Goldman nose," named after the doctors who performed thousands of them, all variations of the scooped nose with the upturned tip.

In his neighborhood, he said, women, although New York women tend to purchase somewhat smaller models than those in other parts of the country.

"I came to see Dr. Jacobs for the holiday season," said Sharon Pontello, a patient who has had Collagen shots. "I have important business parties, and the man I'm trying to get to marry me is coming in from Paris."

"I kept buying new Christmas party dresses and taking them back. I had my hair done and that didn't work. I finally realized that these two little lines from my nose to my mouth were making me look drawn, tired and haggard."

"Having had them, people tell me I look happier now," said the 32-year-old woman. "One of my friends said I was vain to do this, but now I think that she is a very, very sloppy person."

An Upper East Side woman said that she has had a nose job and facelift "among other things" but that lately her friends have told her that "maybe I am too too conventional-looking."

"I wouldn't mind a little character put back in my face," she added. "What do you think?"

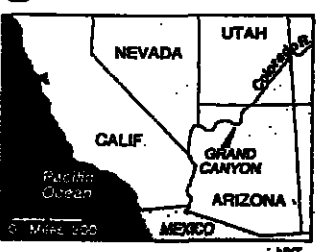
Utah, Fearing 'Raid' on Its Water, Takes Over U.S. Project

By Robert Lindsey

SALT LAKE CITY—Utah residents voted overwhelmingly last month to spend \$335 million to finish a federally planned system of dams and canals on the Colorado River after being warned that if they did not California would someday "raid" Utah's water resources.

Governor William J. Janklow of South Dakota recently brought a suit before the U.S. Supreme Court asking to establish the principle at upstream states on the Missouri River have a right to take water from the river and sell it before the water flows downstream into Nebraska, Iowa, Kansas and Missouri.

The two developments are symptoms of a new phase in the battle for Western water that is taking shape as the nation passes from an age of huge federal water reclama-



tion projects to one in which states are increasingly having to shoulder the cost of such projects.

There is a new emphasis on water conservation, and water is being regarded as a commodity to be bought and sold like other natural resources.

Northern states, fearful that larger and more politically powerful states south of them might take the water if they do nothing, are pushing to protect their resources.

"The idea is, let's get it in our bucket, and then we've got it," said Paul C. Summers, assistant director of the Division of Water Resources in Utah, where a proposal by Denver entrepreneurs to divert water from the Colorado River to San Diego, almost 1,000 miles (1,600 kilometers) away, is regarded with much apprehension.

A cornerstone of Western water law is the "use it or lose it" principle: if the owners of water rights fail to exercise them for a "beneficial" use, the rights can be taken away.

Mr. Janklow filed his lawsuit after states downstream persuaded a lower court to block plans by a South Dakota water agency to sell water to a proposed coal slurry pipeline system.

"We're not saying we see water as a commodity as Sandra Aravia sees it," said W. Robert Newfield, the state's secretary of water and natural resources, "but we

want to control our own destiny. If we can't control the water in the state of South Dakota, we'll essentially find ourselves a colony of the rest of the country."

On Nov. 5, more than 72 percent of the voters in a 12-county area in and around Salt Lake City approved taxing themselves \$335 million over the next 50 years to complete a major segment of a reclamation system known as the Central Utah Project.

Voters were warned that if they did not agree, Congress would kill the project and in time California would take much of the water allocated to Utah under a 1922 interstate compact that apportioned Colorado River water.

"There's a fairly broad perception, mistaken or otherwise, to the contrary people in the state, that California is stealing our water," Mr. Summers said.

The states' efforts to secure more

control over water within their boundaries is occurring at a time of rapid change in federal policies and regional attitudes regarding the development of water resources in the West.

On Nov. 15, the first segment of the \$3.5 billion Central Arizona Project was opened, bringing water from the Colorado River to the growing city of Phoenix and diverting water formerly allocated to Southern California.

Many officials say they believe the Central Arizona Project is the last of the big federal water reclamation projects that have transformed the region in the past century.

"Federal water policy is moving very rapidly toward cost sharing by the states and pricing water at market rates," Governor Bruce Babbitt of Arizona said. "It's going to be a very turbulent transition, but it's under way."

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Reagan Appeal: A Tax Reform Gamble

By Gary Klotz

WASHINGTON—Congressional leaders looked to a trip by President Ronald Reagan to Capitol Hill on Monday as the last chance to salvage his tax overhaul proposal.

There were indications that Democratic support for tax revision legislation was slipping and that Republican support was still in the House of Representatives. House Democrats said the fate of the tax revision effort would not be known until after Monday afternoon, when Mr. Reagan made an extraordinary trip to a House office building across the street from the Capitol to appeal to Republicans and closed doors for support for what he has called the top legislative priority of his second term.

Efforts over the weekend by the White House to round up Republican support apparently failed to reach the minimum of 50 Republican votes that House Democrats say are necessary to ensure passage of the bill.

A senior White House official Sunday night said Mr. Reagan, many officials, and other administration officials had made many calls to Republican members throughout the weekend and said

that a total of about 35 Republican votes had been lined up.

The aide added that the president would attempt to secure more votes at his meeting Monday when he would essentially "reiterate his desire that there be an opportunity to secure tax reform" and that the opportunity would be lost if the House bill were not passed.

But the aide said that the 35 Republican votes the president had already secured might be enough to win passage of the bill if Democrats held their ranks and offered concessions on procedural rules that would allow two Republican amendments to be offered to the Ways and Means Committee's bill.

According to the official, the change in the rules could be critical to winning further Republican support, even with the president's visit to Capitol Hill.

Representative Dan Rostenkowski, the Illinois Democrat who heads the committee, said that Mr. Reagan's private meeting with Republicans would produce enough votes to ensure passage of the bill this week before Congress adjourns for the year.

But some Republican leaders, questioning whether Mr. Reagan's personal appeal would be enough to change Republican minds, said they would continue to defy the

White House and vote against the legislation.

"I don't plan to change my position," said Representative Dick Cheney of Wyoming, the third-ranking Republican leader. In a television interview, he said that Mr. Reagan "may well have some success at peeling off some Republican supporters" at the Monday meeting, but he could not predict whether Mr. Reagan would succeed in getting 50 votes.

"It could be possible, but it is going to be very difficult to get the 50," Representative Trent Lott of Mississippi, the Republican whip, said in another interview.

But Democratic leaders held fast to their position that no Republican amendments could be allowed to the bill. Republican leaders have demanded concessions to ease their opposition.

If Mr. Reagan is able to line up at least 50 Republican votes, Democratic leaders said they would immediately go to the House Rules Committee in preparation for a vote on the bill on Tuesday or Wednesday.

Although Democrats have said in recent days that 50 votes would be the minimum needed, Mr. Rostenkowski said on Sunday that he hoped Reagan could provide 60 Republican votes as a "cushion."

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Big Turnout, Africa's Bumper Crop Could Threaten Farm Prices

Calm Mark Post-Accord Assam Vote

United Press International
GUWAHATI, India — Ballotting in Assam on Monday drew the quietest turnout in the history of the northeastern state, and there appeared to be none of the ethnic violence that left nearly 4,000 people dead during the last polls two years ago, officials said.

Voters formed long lines at polling booths throughout the state, including areas dominated by Bengali-speaking Muslim immigrants who were the main targets of the 1983 violence.

"Assam is witnessing for the first time a heavy turnout," said the chief election officer, P.C. Mishra. He estimated that about 80 percent of the state's 9.8 million registered voters cast their ballots before the deadline Monday evening, results were expected by late Tuesday.

The election follows an accord reached Aug. 15 between Prime Minister Rajiv Gandhi and Assamese protesters. The Assamese agreed to end a six-year campaign of strikes and demonstrations in return for a government promise to repel two million immigrants, mostly Muslims, who have settled in Assam since 1971.

About 200,000 other immigrants who entered between 1966 and 1971 will lose the right to vote. The high turnout appeared to reflect widespread support for the Assam Gana Parishad, a party formed by Assamese students. A student boycott of the 1983 election had helped keep the turnout to 3 percent and had provoked a massacre of Bengali immigrants who defied the boycott.

Analysts say the Assam Gana Parishad poses a serious threat to Mr. Gandhi's Congress (I) Party, which has ruled Assam for 32 of the last 38 years. The election will decide 124 state assembly seats and 4 seats for the national Parliament.

Two months ago Mr. Gandhi's party lost power to the moderate left party, Akali Dal, in elections in Punjab.

Political analysts predicted that voting would be divided mainly along ethnic lines, with most of the voters among the state's 8.5 million Hindus choosing the Assam Gana Parishad, and the voters among Assam's 5 million Muslims divided between Congress (I) and the newly formed United Minorities Front.

Muslim leaders have condemned the August accord, pointing out that it does not specify when the expelled immigrants will be when they leave Assam. Bangladesh already has said it will not take them back.

By Blaine Harden
Washington Post Service
NAIROBI — African countries plagued by drought have undergone a "spectacular" transformation in the past year as good rains have produced record harvests across much of the continent, according to a statement released here Monday by the head of the United Nations Food and Agriculture Organization.

However, the agency's director-general, Edouard Saouma, warned that the bumper crop, combined with expected deliveries of millions of tons more of outside relief food, could flood grain markets in Africa and sharply reduce prices paid to farmers.

Mr. Saouma has appealed to donor countries to help prop up prices by buying some of Africa's record grain surpluses and giving it to other needy African countries.

A senior economist for the FAO said Monday that the United States, which accounts for more than half of the relief food pledged for Africa next year, has shown little interest in giving financial aid to redistribute the food Africa produces.

"While donors have generously supplied food and emergency aid," Mr. Saouma said, "they have been rather less interested in providing agricultural inputs. Emphasis still remains on feeding the person, not on recovery. We have to build a bridge from emergency to sustained development. Without rehabilitation assistance, Africa risks becoming irreversibly dependent on food aid."

Of the 21 countries in sub-Saharan Africa that were on the FAO's "danger list" last year, only six remain for next year: Ethiopia, Sudan, Angola, Botswana, Mozambique and Cape Verde.

Six West African countries that were affected last year by drought produced a record 6.7 million metric tons of grain this year, 30 percent more than last year, the FAO said. They are Burkina Faso, Chad, Mali, Mauritania, Niger and Senegal.

This year's harvest reversed a disturbing four-year trend in Africa in which growth in the continent's population had outstripped growth in food production.

According to the FAO, food and agricultural production increased 4 percent this year, well ahead of

Africa's 3.01 annual population growth rate. Africa still will need to import about 6.2 million tons of food next year, 3.4 million of which will need to come in food assistance, the FAO said.

6 Critical Countries
The following synopsis by the FAO of the food situation in the remaining six critical countries was reported by United Press International from Nairobi:

• **Ethiopia** (population 40 million): The government's relief and Rehabilitation Commission estimates that 5.8 million people will be in need of food aid next year including 1.7 million in the northern provinces of Tigre and Eritrea and 2.1 million in the central Shoa and Wallo provinces.

Good rains have provided a "reasonable" harvest of 5.8 million tons of grain but, because of war and the inability to get seeds to Tigre and Eritrea, the rains went to waste in those two provinces.

The FAO estimated needs to be 900,000 tons. Pledges for 1986 amount to only 300,000 tons.

• **Sudan** (18 million): The country experienced a record harvest of 4.6 million tons of grain up from

1.5 million tons last year and almost double the last five year's average of 2.6 million tons.

Despite the bumper crop, however, nearly a million people in Kordofan and Darfur provinces in the west still face a serious starvation threat. There was no rain in the two areas.

Emergency relief aid requirements for next year are 400,000 tons, down from last year's 1.4 million tons.

• **Angola** (7 million): About 2.5 million people still face starvation next year, according to the FAO. War continues to cripple farm production and food import requirements are estimated to be about 360,000 tons, about the same as the previous year.

• **Botswana** (840,000): Drought continues in Botswana with this year's harvest a mere 20,000 tons, or about 10 percent of the country's annual consumption requirements. The FAO estimated that 60 percent of the population will be in need of food aid next year.

Food aid requirements for next year are estimated at 180,000 tons, or 5,000 tons less than last year. So far only 41,000 tons of food has

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Seoul Officials to Pursue Talks With North in '86

By Clyde Haberman
New York Times Service

SEOUL — After more than a year of unusually steady and even amicable negotiations, South Korean officials say that no substantive progress has been made with North Korea on possible two-way trade and large-scale exchanges of families separated by war.

Despite the pessimistic assessment, however, officials say that they are not disappointed and that they will pursue talks with the North into 1986.

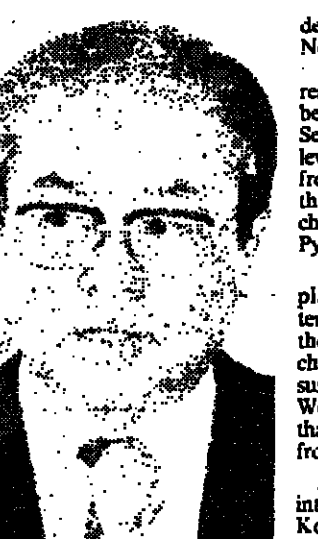
"We did not anticipate that any rapid progress would be made," said South Korea's foreign minister, Lee Won Kyung.

"It will take a very, very long time," he said. "But this is the best way to keep North Korea under control and to ease tensions of the Korean peninsula."

Since late 1984 the two Koreas have had more contact, on a wider range of issues, than at any point since they signed an armistice ending the Korean War in 1953. They have discussed possible economic cooperation, family reunions, joint sports ventures and discussions between lawmakers.

The mere fact that the countries are able to talk civilly borders on the remarkable, given the vituperation that has dominated the relationship over the years.

They can even point to a few small successes. Most conspicuous were the border crossings that 50 Koreans from each side made in September for brief visits with relatives not seen since the early 1950s.



Lee Won Kyung

dent, Chun Doo Hwan, and the North Korean leader, Kim Il Sung.

A senior member of North Korea's Workers Party, Ho Dam, is believed to have visited Seoul in September to discuss such a top-level encounter. Recent accounts from Seoul and Tokyo suggested that South Korea's intelligence chief, Chang Se Dong, traveled to Pyongyang on a similar mission.

South Korean officials and well-placed foreign diplomats have tended to avoid direct comment on these reports of high-level exchanges. But they insist that no summit meeting has been set, and a Western diplomat said he thinks that both sides have "backed off" from the idea as being premature.

Although reading North Korean intentions is difficult, many South Koreans say they believe that Pyongyang — diplomatically isolated and economically pressed — wants only to give an appearance of improved relations in the hope of eventually sparking contact with the United States, Japan and Western Europe.

Others are not so sure, however, that the North's motives are sincere. One person familiar with the Red Cross talks said he had detected a genuine desire by the Pyongyang negotiators to reach an agreement that would permit family exchanges.

Still, the more prevalent view in Seoul is that North Korea's "smile diplomacy" is a tactic to camouflage the fact that it has built up its forces along the highly fortified Korean demilitarized zone.

South Korea's concern is not so much a full-scale invasion as the prospect of small military encounters at the border and perhaps terrorist acts deep into southern territory.

According to senior officials, South Korea will become increasingly vulnerable to attacks as it draws closer to the 1988 Olympic Games, which will be held in Seoul.

Nuclear Industry Assailed in U.K.

Reuters

LONDON — British legislators have compiled a highly critical report of Britain's nuclear industry and its handling of dangerous radioactive waste. The Times of London reported Monday.

The report, now in its draft stage, expressed deep concern at the risks of reprocessing spent nuclear fuel, the dumping of nuclear waste at sea and the industry's lack of public accountability. The Times said.

The document said that Britain's nuclear industry is "virtually light years" behind those in other countries in dealing with the safe disposal of waste, placing far too much reliance on research taking place abroad, the newspaper reported.

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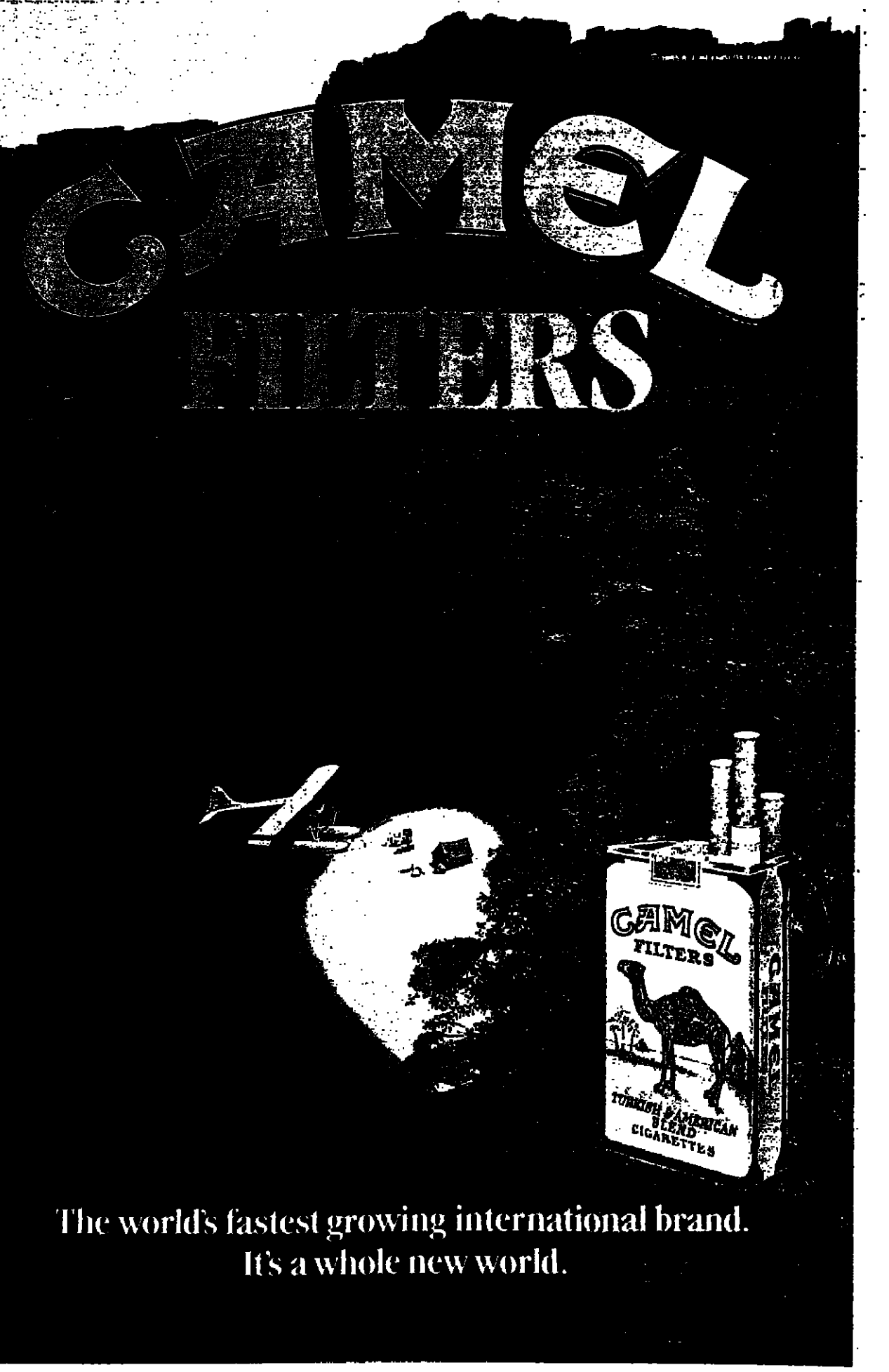
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Israelis Suggest Syria Can Keep Missiles if They Pose No Threat to Planes

By William Claiborne

Washington Post Service
JERUSALEM — Israeli leaders sought Monday to play down Syria's deployment of surface-to-air missile batteries close to the Lebanese border, suggesting that Syria could keep the SAM-2 weapons where they were as long as it did not use them against Israeli reconnaissance aircraft.

Defense Minister Yitzhak Rabin said there was no compelling political or military objective at present that would justify Israel attacking the medium-range surface-to-air missiles on Syrian soil.

"Without an aggressive attack" by Syria, he said in a speech, "there is no meaning in pressing for an initiative of war."

He said that the introduction of sophisticated weaponry into the Middle East had precluded "easy and pointless wars" and stressed that Israeli military preparedness should be geared to swift reaction to aggression.

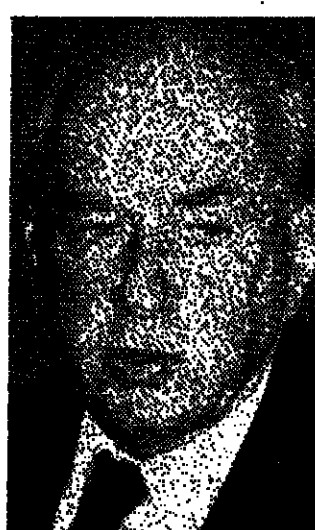
Senior Israeli officials confirmed

earlier that Israel had conveyed through U.S. diplomatic channels a warning to Syria to remove smaller SAM-6 and SAM-8 weapons that had been deployed in Lebanon's Bekaa Valley on the Beirut-Damascus Highway.

Mr. Rabin's remarks were considerably more guarded than warnings issued Sunday by officials of the Israeli military command, who spoke of an "extremely dangerous situation" and drew a parallel between the Syrian missile deployment three weeks ago and a similar move in the spring of 1982.

At that time, Israeli warplanes attacked Syrian missile batteries along the Lebanese border. Those attacks preceded the June 6, 1982, Israeli invasion of Lebanon.

The Israeli Army command announced Sunday that the Syrians had moved three concentrations of SAM-2 weapons close to the Lebanese border, thereby curtailing the Israeli Air Force's ability to conduct high-altitude reconnaissance



Yitzhak Rabin

flights over most of the Bekaa Valley and northern Lebanon.

The Israelis contended that the area protected by an "umbrella" of Soviet-supplied SAM-2 missiles was where pro-Syrian Palestinian guerrilla groups were most active.

Military sources said that the purpose of Sunday's warning was to signal Damascus that while Israel might tolerate the presence of the missiles, which are all in Syrian territory, it would not tolerate their use against Israeli reconnaissance aircraft flying over Lebanon.

The suggestion was that the overflights would continue, although Israeli military sources refused to confirm this.

Abba Eban, chairman of the Foreign Affairs and Defense Committee in the Knesset, Israel's parliament, said Monday that there would be no justification for Israel attacking the missile bases now.

"We have to put up with the fact that other people have sovereign territory in which they can do what they like," he said on state radio, "and one cannot possibly have any influence on what sovereign countries do in their territory."

Mr. Eban added, "I'm sure Syria would love to be able to tell us where to put our missiles in such a way so as not to have any influence on Syrian territory."

He said he saw no evidence that Syria was seeking a military confrontation with Israel.

Reaction in Syria

The government-controlled press in Damascus said Monday that Syria would not be intimidated by what it said were renewed military threats from Israel, Reuters reported.

The comments followed a statement Sunday by the Israeli Army chief, General Moshe Levy, that Syria had moved SAM-2 weapons to its border, posing a threat to Israeli flights over Lebanon.

He said the missiles were moved in after Israeli reconnaissance planes shot down two Syrian MiGs on Nov. 19.

6 Afrikaners Killed by Mine Near Zimbabwe

(Continued from Page 1)
conducts raids into South-West Africa, also known as Namibia, in a campaign to end South African rule of the territory in defiance of the United Nations.

General Malan interrupted a vacation to fly to the scene of the explosion, where the news agency reported him as saying, "It is clear that the ANC is going out of its way with this sort of action to force a conflict between South Africa and its neighbors."

Foreign Minister R.F. Botha said the government was "urgently approaching" Zimbabwean authorities in connection with the land mine explosion, with an aim of "removing the threat of violence."

The explosion caused what was believed to be the largest white casualty toll in a single incident since a car bomb killed 19 persons and injured about 200 in Pretoria in May 1983.

According to unofficial lists, the deaths brought to 1,000 the number killed in more than 15 months of unrest against apartheid, the government's system of legalized racial separation.

Military headquarters in Pretoria, the South African capital, said in a statement Monday the casualties were members of two families and that four of those killed were children under the age of 10. The other two were women.

The press association said the explosion occurred three kilometers (two miles) from the border and 30 kilometers from Messina, a mining and farming town. It said six land mines killed one person and injured seven, including five soldiers, in the same area last month.

News of the deaths spread across South Africa on the Day of the Vow, an Afrikaner holiday marking the defeat of a large Zulu tribal force by outnumbered white pioneers at Blood River in Natal province on Dec. 16, 1838.

New Incursion Reported

South African forces have again advanced deep inside Angolan territory, a special correspondent for the Mozambique news agency AIM reported Monday from Ongiva, near the Angolan-Namibian border, Agence France-Presse reported from Maputo, Mozambique.

The report quoted Captain Jose Pascoal, an Angolan officer, as saying in Ongiva that the South African advance had taken place since Thursday.

Marcos Acknowledges Split in Military

(Continued from Page 1)
Otherwise, I'm going to kick out everybody and put in new men." The president said he told his generals he was concerned about some "lapses in intelligence and discipline."

Taking part in the interview, which was conducted at Malacanang Palace, were the executive editor of The New York Times, A.M. Rosenthal, and the foreign editor, Warren Hoge.

The United States had pressured Mr. Marcos not to reinstate General Ver and now is pressing for his early removal, saying the return of a man who is seen as symbolizing political patronage in the armed forces would set back efforts for reform.

Mr. Marcos has hinted that the reinstatement of General Ver is temporary, but has declined to say definitely that he would be removed.

Asked if General Ver would retain his post through elections scheduled for Feb. 7, Mr. Marcos declined to be specific, saying: "I doubt it. I would like to settle this problem as soon as possible, and when I say as soon as possible, it may happen next week. It may happen the week after that."

He implied that General Ver would stay on as a consultant even if he were removed from his command.

Mr. Marcos's disclosure of a rift between the supporters of General Ver and General Ramos was the first confirmation of factional troubles within the Philippine military.

Hints of the problem have been disclosed to outsiders, but Mr. Marcos is the first official to say it is hampering the military's performance of its mission.

"The whole armed forces is slowed down by factionalism," he said.

Mr. Marcos announced earlier a top-to-bottom reorganization of the military, but some officers have dismissed this as a ploy to deflect U.S. criticism of General Ver's reinstatement and of the state of discipline, training and performance of the military.

The day after General Ver's reinstatement, Mr. Marcos said, the two generals and some of their supporters confronted each other in the president's office, where he had called them to "put your hair down."

"I told them I don't intend to scandalize the armed forces," he said, "but I'm going to file charges against anybody who doesn't follow orders."

"Well, they have cooled down," the president added. "I told them the facts of life. There is no rivalry." He quoted the two generals as saying that both of them would probably resign together.

Mr. Marcos said that the American pressure not to reinstate General Ver had caused a backlash among his military supporters and their rivals, both of whom he said had begun to "hold back" in the performance of their duties, waiting for a resolution of the situation.

Asked if this was harming the battle against the Communist insurgency in the country, Mr. Marcos said: "Oh, they would fight. But they wouldn't follow the initiative."

He said that General Ver had asked only to be reinstated after his

acquittal so that he could recover his honor and good name, and offered to resign the same day.

"I said, 'No, you've got some problems to settle, because of course there was a confrontation on policies.'"

On other subjects, Mr. Marcos said: "Western worries about advances in guerrilla activities are exaggerated, probably because foreign analysts are not familiar enough with the situation."

Despite official assurances to the contrary, some Americans have

become actively involved in supporting the political opposition headed by Corason C. Aquino, Mrs. Aquino's widow. After suggesting that the U.S. Central Intelligence Agency might be among these people, he said, he had received assurances that there would be no financial support for anyone.

Reacting to a statement by Mrs. Aquino that she probably would put him on trial for her husband's murder if she wins the election, Mr. Marcos said, "I realize she has nerve, but this is a little bit much."

If She Is Elected, Aquino Asserts, Marcos May Be Tried for Murder

(Continued from Page 1)

getting so many crash courses at this point in my life," she said.

During a campaign rally Sunday, attended by an estimated 20,000 supporters, Mrs. Aquino made her first public campaign pledge.

"If you elect me president I will not live in Malacanang," the presidential palace, she said. "I will hold office there but I will live in my own house, and I will give the palace to the people."

At one point during the interview she said she could remember only one of the two key issues on which her backers and those of her running mate, Salvador H. Laurel, have not yet reached agreement.

She said one issue was the two large U.S. military bases here. She said she favored the removal of the bases, but that this would depend on other issues, which she declined to name, after the bases agreement expires in 1991.

She seemed to be uncertain of the implications of her threat to put Mr. Marcos on trial if he loses the election, and modified her position in the course of the interview.

After a previous report that she might want to put him on trial, the president responded that such a course might mean war between his followers and hers.

"So what will I say, 'Mr. Marcos, you can go ahead and run and even if you win I'll be so kind?'" she said when asked to clarify her position. "I cannot say that. I think he will be given due process of law. He will be given justice which was denied my husband. Can't we leave it at that? You really want Marcos to shoot me, don't you?"

Her husband, Benigno S. Aquino Jr., a popular opposition leader, was assassinated in 1983 as he returned to Manila after three years of self-imposed exile in the United States.

Twenty-six defendants, all but

one of them military men, were acquitted Dec. 2 of the murder in a trial she called a sham. She has said repeatedly that she holds Mr. Marcos responsible for the murder of her husband.

Mrs. Aquino said not being a politician and not having clear ideas of government gave her an advantage in facing Mr. Marcos.

"He has never met anybody like me," she said. "I mean he knew my husband because my husband was a politician. I am not a politician, so he never knows, or at least I think he doesn't know everything I'm going to do."

Like many Filipinos, Mrs. Aquino acknowledged Mr. Marcos's brilliance as a politician, and cited his ability to stay in power for 20 years while keeping the moderate opposition fragmented.

Asked about the specifics of her program, now that she is the leader of the opposition, she said, "we have the minimum program of government," but that two aspects of it remain in contention, one of which is the issue of the bases.

Asked the second issue, she said: "I forget now. I just remember the bases."

She defended her vagueness on issues, saying: "Look, Marcos promised so many things. He had such a beautiful program. And yet look at what happened to this country."

Asked for her analysis of the New People's Army, the military wing of the Communist Party, that has been a growing concern here and in Washington, she first referred her questions to a Jesuit priest who works with slum dwellers.

"I asked him one night to come here and brief me on communism and how we go about fighting it and all that," she said.

Asked whether she believed the United States was supporting Mr. Marcos, as many Filipinos who op-

pose him say, she answered, "Not anymore."

"You don't have to be so negative because, my goodness, we are the underdogs," she said.

U.S. Accused of Interference

A senior Philippine cabinet minister accused the United States on Monday of interfering in Philippine politics and said Washington supported the opposition ticket for February's presidential elections, Reuters reported from Manila.

Labor Minister Blas F. Ople said the U.S. Congress had "any number of resolutions that practically formalize and legitimize that intervention. These are all undeniably highly visible signs of intervention in our politics."

"I think there is no mistaking the fact that American authorities, working visibly or otherwise, are pressing their support for the Corason Aquino-Salvador Laurel ticket," Mr. Ople said.

Police in West Germany Break Up Protest Camp

WACKERSDORF, West Germany — Riot police and units of the paramilitary frontier guards broke up a camp of anti-nuclear protesters Monday near the Czechoslovak border and briefly rounded up about 800 demonstrators.

Witnesses said there were snuffles as 2,000 police formed a human chain around the camp and climbed over log barricades studded with nails to surround the protesters. Protesters were arrested and set free a short time later. They could later face charges of obstruction.

The demonstrators had refused to leave the area, the planned site of West Germany's first nuclear reprocessing plant.

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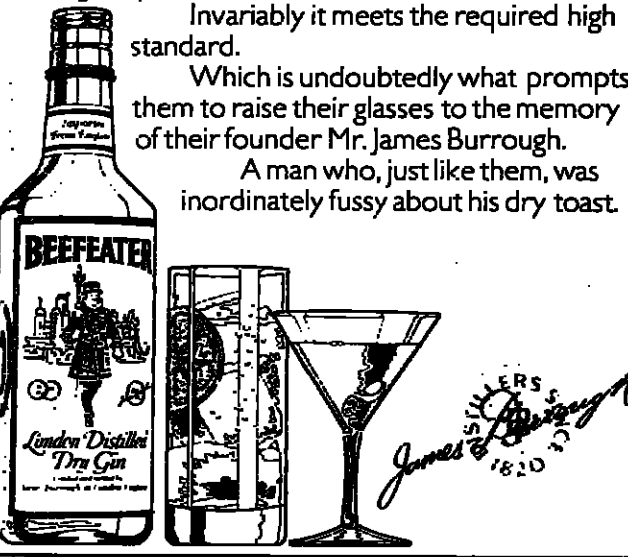
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Toyotas finish 1st & 2nd in both Ivory Coast and Safari Rallies in 1985.



After four days of violent rainstorms, jungle heat and fierce roads, two Toyota Celica Turbos plunged across the finish line to a thrilling one-two victory in the 1985 Ivory Coast Rally. For Toyota, it was a repeat of their dual triumph in the Safari Rally earlier in the year, as champion drivers J. Kankkunen and B. Waldegaard

dominated the race. Neither had serious problems with their cars, though only 8 of 50 starters finished.

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Terror Denounced at Last

The United Nations has just concluded a decade-long effort to condemn terrorism. Why was it so hard to speak out clearly against hijacking airplanes, bombing buses and murdering civilians? Because a leading perpetrator of these crimes, the Palestine Liberation Organization, is a potent force in the General Assembly. It wrapped them in the cloak of a struggle for self-determination against Israel and, by extension, the United States.

What broke the PLO's intimidation of its customary protectors, the Communist-plus-Third World majority? The PLO is widely recognized now as a principal actor in international terrorism. Its role in hijacking the Achille Lauro was merely its most conspicuous recent embarrassment — so much of one, in fact, that Yasser Arafat was subsequently compelled to condemn acts against innocent and defenseless people, unless — his cynical exception — they are Israelis.

As terrorism has increased, moreover, so has the number of nations victimized by it. So long as Israel was the main target, many other nations bought the PLO's argument that the "underlying cause" of terrorism is Israeli oppression. But how to explain such deeds as the kidnapping of four Soviets, and the murder of one, by crazies in Beirut? It turned out that the PLO was popularizing not so much the Palestinian cause as the terrorist example, teaching

its methods to those with other purposes, extending its reach and hurt, in an awful sense secularizing and democratizing it.

Thus was created a constituency ready to say, with no ifs, ands or buts, that terrorism is bad. Cuba tried to muddy the issue by working in a condemnation of "state terrorism" — Assembly-use for Israel and the United States. The British and the Americans, furthering a campaign to get other nations to deepen their commitment against terrorism, replied that there was no shortage of legal instruments condemning questionable acts committed by states, but that what was needed was an instrument to counter terrorism committed by groups and individuals, a phenomenon otherwise hard to pin down by law. In committee, Cuba's proposition got one vote: Cuba's.

On Dec. 9 the whole Assembly condemned "as criminal all acts, methods and practices of terrorism wherever and by whomsoever committed." The adoption, said a UN document, "was followed by applause from the representatives." It was earned, Secretary-General Javier Pérez de Cuellar said this was how the UN system was supposed to work: nations uniting in solidarity on universal problems.

It is a long way from word to deed, but saying the right word is important and finally, on terrorism, the United Nations has said it.

— THE WASHINGTON POST.

Uganda's Slide Continues

Uganda is disintegrating. Civil order in the one-time pearl of Africa has broken down. A rebel army is closing in on Kampala, where food supplies have been cut off, education has been halted and private armies stalk the streets. Colonialism, tribalism and the legacy of Idi Amin are taking a cumulative toll.

How could a once prosperous society fall so far? The answer has to begin with Milton Obote, who led Uganda to independence and twice served as president, from 1962 to 1971 and from 1980 to 1985. Despite his generally competent economic management, he permanently alienated the largest tribal group, the Baganda, by sending troops against them in 1966. His second term began with a rigged election and was stained by the widespread killing of civilians by an undisciplined

army. This year that army finally ousted him.

The years between Mr. Obote's regimes belonged mostly to the monstrous Idi Amin, who turned mass murder into a policy. Under Mr. Obote and Mr. Amin, probably one of every 20 Ugandans were killed — more than half a million. In recent months what passes for power has been held by a military council combining collaborators of and rebels against Mr. Amin and Mr. Obote. But the main rebel leader, Yoweri Museveni, has continued to fight, and his National Resistance Army is now closing in on Kampala. Kenya, a neighbor with historic ties, deserves credit for trying to broker a political settlement. But it seems too much to expect that Uganda's nightmare can quickly end even if the fighting stops.

— THE NEW YORK TIMES.

A Good Man for Refugees

Few jobs are harder, or more heartbreaking, than that of United Nations High Commissioner for Refugees. The incumbent is steward of the hapless millions displaced by invasions, civil wars and rebellions. As the High Commissioner's operations and budget have grown, so has the importance of the job. That is why the scramble among five nations to name the successor to Poul Hartling was so unseemly.

The Netherlands, Sweden, Norway and Egypt all put forward senior diplomats, none with outstanding qualifications for the job. Fortunately Switzerland, which is not a UN member, put forward Jean-Pierre Hocke, operations director of the Swiss-based International Committee of the Red Cross. His credentials were clearly the strongest. His choice by Secretary-General Javier Pérez de Cuellar backs well for the commission work in 80 countries — and should build support among major donors for its \$500-million operating budget.

It takes strong leadership to keep the special

agencies from the bogs of politics and patronage. Most of their work is in poorer countries but most of their funds come from Western democracies. To its shame, the Soviet Union refuses voluntary contributions to UN agencies, claiming speciously that capitalism bears all responsibility for Third World distress. Even so, the Soviet bloc eagerly promotes its causes and job-seekers in those agencies.

Not unreasonably, the major donors are insisting on minimum standards of competence and fairness at United Nations agencies. UNESCO failed that test, resisting reform even after the United States withdrew. Now Britain, too, is quitting. One salutary result is a fresh appreciation of sound leadership. The Red Cross has an exemplary record in providing disaster relief and of impartially defending the rights of war prisoners. The Office of the High Commissioner stands to benefit from Mr. Hocke's firm administrative hand.

— THE NEW YORK TIMES.

Other Opinion

Until the Present Boss Leaves

In deciding to implement its threatened withdrawal from UNESCO, the British government very sensibly declined to take at its face value the pseudo-reforms agreed to in Sofia by the organization with the sole object of avoiding loss of further members. In the light of past experience there are no grounds for believing that the "politicization" and maladministration of UNESCO can be eliminated while its present director-general remains in office. This was no doubt the main consideration that influenced the British decision, and it will probably serve as a guide to other governments that are considering withdrawal.

— Neue Zürcher Zeitung (Zurich).

An Unfinished Christmas Gift

In 1952 I was one of many college students who professed their growing alienation from organized religion. Although I was raised in a churchgoing family and still considered myself a Christian, I shared some of my fellow students' skepticism about the ability of the church to challenge social injustice in Ameri-

can society. At the time I was dating a ministerial student named Martin Luther King Jr. He surprised me by saying that he also had some doubts about the relevance of the church. However, he insisted, "To really carry out the precepts of Jesus would be the most revolutionary and dangerous thing in the world." Every Christmas season I remember those words as if they were spoken yesterday. That, for me, is the spirit of Christmas.

The unfinished Christmas revolution is a challenge of burning urgency for people of good will everywhere. As my husband said in his final published statement: "Jesus of Nazareth wrote no books, he owned no property to endow him with influence. He had no friends in the courts of the powerful. But he changed the course of mankind with only the poor and despised . . . Naive and unsophisticated though we may be, the poor and despised of the 20th century will revolutionize this era. We will fight for human justice, brotherhood, secure peace and abundance for all. When we have won these in the spirit of unshakable nonviolence, then in luminous splendor the Christian era will truly begin."

— Syndicated columnist Corretta Scott King.

FROM OUR DEC. 17 PAGES, 75 AND 50 YEARS AGO

1910: 'A Million Men Would Rise Up'
WASHINGTON — If war were imminent, the excitement could hardly be greater than that which has followed the report of Jacob M. Dickinson, Secretary of War, on U.S. military unpreparedness. The "peace" party in Congress, led by Mr. Tawney, chairman of the Committee on House Appropriations, accuses the Secretary of War. Representatives from Pacific coast states, manufacturers of armaments and some newspapers of a conspiracy to frighten the country, so as to secure large appropriations. The attitude of the "peace" party was expressed by a member of Congress: "It is folly to talk about 100,000 men being landed on our shores. A million men would rise up to drive out the invaders, and if we do not have ammunition we will use stones."

1935: In Defense of Birth Control
NEW YORK — What is regarded as one of the strongest defenses of birth control ever advanced in this country has been issued by 13 Protestant and Jewish clergymen in response to a sermon in which Cardinal Hayes assailed a proposal to issue birth control information only to families desiring such knowledge. The Cardinal disclosed that he was speaking not only as a Roman prelate but as an American, which caused the clerical critics to point out: "For a religious group to attempt to exercise authority over other groups, whether that authority be legal, social or ethical, is undemocratic and out of place in America." Of greater importance is that those replying to the Cardinal take issue with his theory that birth control is either immoral or economically unwise.

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Conditions for Talks to Save South Africa

By Colin Legum

LONDON — What we see in South Africa is nothing less than the dangerous breakup of a political system that has endured, in one form or another, for more than three centuries. At the heart of the crisis lies the problem of how to arrange a rapid transition from a political system entrenching exclusive white rule to enfranchisement of the black majority in such a way as to avoid economic and social chaos. In a word, the problem is how to avoid revolutionary collapse.

Trying to deal with this situation by simply reforming the apartheid laws would be like plastering over the surface of a structure that has already crumbled at its foundations.

President P.W. Botha and the ruling establishment see the full implications of this historic crisis. It is precisely because they know that the phasing out of apartheid laws inevitably entails the end of white political dominance — and precludes the re-establishment of white control by other means — that their commitment to reform appears clumsy and inconsistent, and that they choose to rely so heavily on the use of force to contain the forces of the opposition.

Those who call for Mr. Botha's resignation in the belief that it could help to speed political change fail to see the difficulties that would confront any white leader in the present crisis. There is no leader with higher standing among Afrikaners or with greater experience of political maneuvering. None of the contenders who might succeed him can claim better qualifications for steering the country through its present crisis. If P.W. Botha cannot succeed, no one can.

But President Botha is in a dilemma. Every move he makes in announcing intended changes away from apartheid (let alone implementing them) feeds a right-wing backlash. Recent results in five by-elections, despite the ruling party's victory in four of them, show that there has been a significant swing to the extremists.

The government is in no real risk of being swept from office. But it has not yet begun to implement any of the hard decisions it has merely pointed the way toward change — and even so, the white electorate shows signs of taking fright. And Mr. Botha would find it difficult to move forward if his base among Afrikaners were seen to be crumbling.

However, the longer he delays and the greater the force he employs, the more likely he makes an increase in violence from the increasingly militant black opposition. This increase in black violence in turn feeds the white backlash and may increase the tendency by white militants to resort to illegal violence, and it increases reliance on the use of force by the state.

There is a third dimension to Mr. Botha's

dilemma. Many South Africans believe that the reason why Afrikaners are starting to turn away from Mr. Botha is that they are losing faith in his ability to carry out his reforms. Afrikaners are more apprehensive about their future than at any time in their history, and they desperately need reassurance. All many can see is that ever since Mr. Botha embarked on his cautious policy of reforms, the country has become increasingly less governable and black violence has increased.

Mr. Botha's critics argue that he should ignore the risks of backlash and move boldly forward to avert violent collapse. Will he listen to this advice? The signs at present are not encouraging. He continues to think he has manipulative options as introducing black leaders into his process.

The country is not beyond hope. Whites and blacks now recognize a common stake in avoiding a complete economic breakdown and a racial conflagration.

denial council he can divide the black opposition while demonstrating his willingness to begin the process of power-sharing. He continues to pin his faith on substantial reforms in the lower tiers of government to give blacks a greater say in managing their affairs in urban areas.

But none of this is likely to work. The political reality is that he has two choices: to move toward even greater dictatorial and forceful measures against black violence, or to begin serious negotiations with representative black leaders.

His own view is that both are necessary. But it is unclear which of the two will predominate.

There is little doubt that he has enough force at his disposal to resist black opposition and violence for several years. But if he takes this hard line he cannot engage influential black leaders in negotiations about a post-apartheid political system. All he will succeed in doing is to bring the country nearer to revolutionary change, while completing the alienation of Western governments. He has already lost Western public opinion.

His other choice — entering into serious negotiations — requires that he agree to precondi-

tions essential to the credibility of representative black leaders. Are such terms available?

Somewhat among influential black leaders suggest that they are anxious to negotiate rather than fight, and that they may be ready to start negotiations on the following terms:

- Repeal of the four crucial laws underpinning apartheid: the Group Areas Act, which defines where people may live according to their race; the Population Registration Act, which defines people by race and tribe; the Separate Amenities Act, which enforces racial discrimination in public services; the various urban areas acts that control where blacks live and work.

- Lifting of the bans on the African National Congress and the Pan-Africanist Congress.

- Unconditional release from prison of Nelson Mandela and all other black leaders regarded as political detainees; and return from exile of Oliver Tambo and other political leaders.

The only hope of preventing South Africa from sliding further into violence and economic disaster is for both sides to be brought to the negotiating table. The most pressing need therefore is to work toward getting agreement on an agenda that will start the negotiating process.

External factors can play a crucial role. It is in the Western interest to break the cycle of violence and repression and to facilitate negotiation on the kind of South Africa in which all its communities will feel secure and at peace.

External pressures in the form of sanctions, along with internal pressures, undoubtedly played a major part in compelling the government to accept the need to abandon apartheid in principle. But if external pressures are to be positively effective they should now be geared to persuading both sides to agree to terms for negotiating their future in a democratic South Africa.

If the new Commonwealth commission — eminent figures from Australia, Barbados, Britain, Canada, India, Nigeria and Tanzania — is to produce results, it should have as its primary task the diplomatic one of getting President Botha to accept an agenda acceptable to the most representative black leaders. Perhaps only such a benign outside initiative can persuade him to set South Africa on a new course.

The situation is desperately serious and will continue to deteriorate rapidly unless negotiations can be started. But the country is not beyond hope. Both whites and blacks now recognize their common stake in avoiding a complete economic breakdown and a racial conflagration.

The writer, a syndicated columnist and veteran commentator on African affairs, returned recently from a monthlong tour of South Africa.

An Italian System, Disguised

By Michael Barone

This is the first of two articles.

WASHINGTON — The United States does not need a parliamentary system, as columnists and former presidential aides so often claim. It doesn't need one because it already has one. But the system is not modeled on the country that critics of the American system would like.

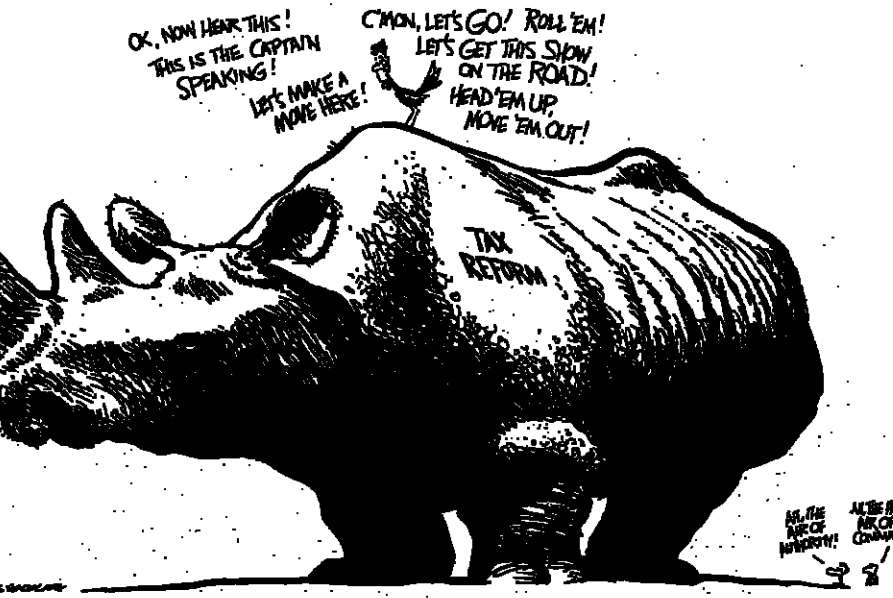
The parliamentary system most critics have in mind is the British one, where the party in power selects the prime minister and has an automatic legislative majority for whatever it proposes; its budget is adopted without delay, and temporarily unpopular measures can always be passed.

Quite a contrast, it is said, with America's separate executive and legislative branches, with its yearlong wrangles over the budget, with its president often opposed by an obdurate majority in Congress.

But in practice America already has a parliamentary system. Not the British one — the Italian one.

Italian politics is often put down as unstable — changing cabinets, divided responsibility, splinter parties. Ministers that confer responsibility for various issues are rotated in Italy among feuding politicians so as to assemble a majority in Parliament.

Functioning responsibility — not necessarily the title, but the real decision-making power — gets passed around in America as well, to those strong enough to grab it. Witness the recent jostling over the Gramm-Rudman and tax reform legislation.



In a parliamentary system, executive departments are headed by legislators, while in the United States those are supposed to be separate jobs. But in the past few years an executive officer, David Stockman, as director of the Office of Management and Budget, had such control over the legislative process that he got a House nominally controlled by the other party to pass a bill with his penciled notations written in the margins; and Les Aspin, nominally a congressman from Wisconsin, effectively made an executive branch decision to build a certain number of MX missiles with a certain basing mode.

It is a tradition in Italy to beseech the instability of the government and the weakness of the parliamentary system. Yet Italy enjoys buoyant economic growth and cultural vitality, and even has a government that has lasted three years in office.

America's system has produced decisions on important issues and has adopted policies — Social Security cuts and a gas tax, for instance — that were considered politically impossible. You may or may not consider these policies desirable, but you have to admit that the U.S. parliamentary system gets things done.

How this works is not apparent when you regard the system with the usual labels attached. But it becomes clear when you consider who, in effect, has assumed the function of prime minister, who makes policy on the central issue of the day.

Sometimes there are interregnums, times when no one makes policy effectively. That was true during much of the Carter presidency.

But since 1980 we have seen four functioning parliamentary governments in five years — fewer than the Italian postwar average, but more

than Italy has had during the same period. Three of them were largely successful. The mettle of the fourth is being tested now. Can it command majorities on the major issues before Congress, and produce results that can be sustained over a long haul?

The first prime minister was David Stockman. As the incoming director of the OMB in 1981 he had an effective monopoly on information about how the federal budget at that time worked, a monopoly that enabled him to determine the size and shape of the big cuts in taxes and the budget that Congress obediently passed. The Stockman ministry fell after publication of an article in which he gave credence to arguments against the policies he had just installed.

Mr. Stockman was followed by a ministry effectively headed by Senator Howard Baker, Republican of Tennessee, with Senator Robert Dole, Republican of Kansas, as minister of finance and Senator Pete Domenici, Republican of New Mexico, as minister of the budget. Together they wrote and passed the budget and tax bills of 1982. This established a status quo on budget and macroeconomic issues that has been largely maintained, through wildly varying economic times, ever since. The Baker ministry fell after the 1982 elections, when Republican losses in the House persuaded Mr. Baker that the ministry no longer commanded a congressional majority.

The third ministry was a grand coalition government, a combination between leaders of two ordinarily hostile parties, of the sort West Germany had between 1967 and 1969 and Britain got in 1916 and 1931. The coalition was formed in December 1982 when Howard Baker walked across the Capitol to Tip O'Neill's office and agreed with him to support a roads-and-gas-tax bill.

Grand coalitions are used in European parliamentary systems to pass measures that neither party alone could support politically; and so here. The coalition passed within days the gas tax long supposed to be a political impossibility. A few months later, following the promptings of a bipartisan commission that was in close touch with coalition leaders O'Neill and Baker, Congress adopted previously unthinkable Social Security benefit cuts and tax increases.

Then the grand coalition hunkered down and awaited the prosperity of 1984, which returned it to office in the November elections. President Reagan, Tip O'Neill's House Democrats and the Senate Republicans were swept back to office in the most successful incumbent year in nearly 200 years of American elections.

The big political news of 1985 has been the breakup of the grand coalition. Ronald Reagan broke it up last May. The question now is whether he can take this place.

Those who would disqualify the physicians on the basis of one cause or another should at least read another letter. Andrei Sakharov wrote in 1980: "Despite all that has happened, I feel that the questions of war and peace and disarmament are so crucial they must be given absolute priority, even in the most difficult circumstances."

What these doctors have made is an imperfect alliance, but an alliance that is successful. They have found a singular, respected voice to describe and prescribe. It is harder and messier and much more ethically complex to try to save a world than to save a single patient. But it isn't just Lev Novikov who should be grateful that they are on the case.

Washington Post Writers Group.

A Radical Crusade, Misnamed

By Anthony Lewis

BOSTON — Look up the word "conservative" in the dictionary, and you find such adjectives as "cautious," "moderate," "prudent." Now think what today's self-styled conservatives want to do with American foreign policy. You will understand how an old political tradition has been transformed into something radical and strange.

The intellectual right that lays down the line these days is gung ho for adventurism in foreign policy. It wants to fight on the beaches of Angola and in the hills of Cambodia — not because the United States has vital national interests there but because ideology commands it. America must fight communism wherever it appears in the Third World.

The scope of this new globalism was made clear the other day by Representative Jack Kemp, the conservative standard-bearer from Buffalo, N.Y. He even opposed overthrowing Mozambique's government but Mozambique's as well.

American conservatism used to stand for caution in foreign affairs, for restraint. It was opposed to international crusades, even against an ideology as uncongenial as communism. It was worried about overstraining U.S. resources. It wanted to pursue limited goals abroad, by strictly constitutional means.

Those were the views of Senator Robert Taft of Ohio. Mr. Taft, a conservative, as he was called in the 1950s, even opposed the North Atlantic treaty in 1949 because he thought it committed the United States to unforeseeable military obligations. As a strict constitutionalist he opposed fighting an undeclared war in Korea.

Now we are in the age of the neo-conservatives, who want America to intervene everywhere. They do not care about constitutional or other niceties. Old-fashioned realism views the tradition of respect for established government, the ingrained American dislike of covert methods, the obligation of presidents to respect the will of Congress — should not be allowed to get in the way of a crusade.

The contrast between those two kinds of "conservatism" is brilliantly drawn by Christopher Layne in the winter issue of Foreign Policy. He calls the old school "real conservatives" and says it is time for a reassertion of their cautious, realistic views. The neo-conservatives, Mr. Layne says, believe that "the primary threat to the United States is ideological." A failure of U.S. "resolve" anywhere will produce "a worldwide stampede to the Soviet camp." Accordingly, neo-conservatives argue that the United States must try to roll back Communist or Marxist ideology wherever it appears, at whatever price.

Mr. Layne points out a historical irony: The crusade philosophy has taken hold on the right at a time when the United States manifestly cannot afford unlimited foreign crusades. When Taft worried about the limits on American resources, the limits were not visible. Today they are in enormous budget deficits and in a new status as a debtor nation.

"The essence of a conservative policy," Mr. Layne concludes, "is to preserve national strength, husband resources and expend them wisely."

The American diplomat and scholar who has pre-eminently stood for realistic goals is George Kennan. By chance he has an essay in the current issue of Foreign Affairs summing up his lifelong view that America must limit its commitments abroad to the essential and the achievable.

"Americans must overcome their tendency toward generalization," he writes, "and learn to examine each case on its merits. The best measure of these merits is not the attractiveness of certain general semantic symbols but the degree of the given situation on the tangible and measurable interests of the United States."

That is surely the way to begin analyzing any proposed crusade abroad: in terms of hard American interests. Are American lives or property threatened? Is there a threat to regional stability? What will the cost of intervention be, in dollars and damage to other American interests? What do we have to lose?

Interventions and plots against established governments used to go against the American grain; those were thought to be Soviet tactics. Nowadays when politicians talk casually of overthrowing governments for ideological reasons, hardly an eyebrow is raised. Such tactics are still wrong as a matter of American values, but they also fail the true conservative test of interest.

The New York Times.

LETTER

Call Them Independents

I am compelled to write to you about the use of the word "dissident" in relation to East Europe. In Slavic languages the terms for "dissident" do not connote merely dissent, but imply that those who are thus labeled are traitors. This so-called traitorous aspect spills over into everything that has any connection with them. What they say cannot be listened to because it is somehow traitorous. They must be taken seriously.

We should not continue to use a term with a connotation in Eastern Europe that it does not have in Western Europe. The problem arises in particular when West and East Europeans meet and the two sides attach different meanings to the same word. The National Peace Council prefers to speak of people belonging to independent organizations — of "independents," for short. For the sake of those people who are independent in East Europe, it is worthwhile making the effort to change our usage.

Sheila Oakes, General Secretary, National Peace Council, London.

ARTS / LEISURE

The Quiet Intensity of Jim Hall

By Michael Zwerin

PARIS — Playing with the legendary Jimmy Giuffrè trio and on such legendary recordings as "The Bridge" with Sonny Rollins and "Undercurrent" with Bill Evans has placed Jim Hall up there in the pantheon of great jazz guitarists. He is the favorite guitarist of many people who agree on little else in music.

Hall recently performed in duo with the French pianist Michel Petrucci at the Théâtre de la Ville. They had never played together before. Several critics said Hall lacked assurance, but it is difficult to assimilate his unusual, quiet intensity, which is not heard often in Europe.

"I discover something every time I play," he said after the concert. "Tonight I discovered I could play anything at all with Michel Petrucci and it would work. I guess, in general, I add a subtle dimension."

"You know, I bought a house in the country two hours north of New York. I had to get out. I was drained. The city was getting too crazy. Maybe I've changed too. In your 20s you need to be fed that energy, but in your 50s if it isn't happening inside you it's too late anyway. Make any sense?"

After five years in music schools in Columbus, Ohio, and Cleveland, he saw that most of the students were "just going to school to stay in school and never in life get out of school. They seemed to need that protection — it's like prison with retirement."

The prospect scared him. He left for Los Angeles, where he was hired by Chico Hamilton. The band started to spend so much time in New York that he decided to move there.

Jimmy Giuffrè had recorded a clarinet piece accompanied only by the sound of his foot tapping, and this gave him an idea for a trio with three independent voices (including Bobby Brookmeyer's valve trombone) and no rhythm section.

It was a seminal downtown funk, what one critic described as "monastic blues."

Meanwhile, Sonny Rollins, who had retired, was nonetheless practicing several nights a week. When he hired Hall to be part of his comeback band, it was "like a blessing from the pope. Until that point I wasn't really convinced that



"I discover something every time I play."

I was part of the essence of what was going on in jazz in New York. So when Sonny called me it was the final blessing.

"Sonny's imagination is so overpowering, I stood up there unable to believe my ears and when it was my turn to play I thought, 'Now what?'" In the middle of what he describes as "a very heavy drinking period," Hall was impressed by the "outrageous" things a clear-headed Rollins could play.

"I used to think I had to drink to play," Hall said, "but I'd get so drunk I couldn't play at all." He joined Alcoholics Anonymous and was "afraid to walk past saloons for awhile."

He cloistered himself in the studios as a member of the orchestra on Merv Griffin's television show, began to teach, and recorded in duos with Bill Evans, Brookmeyer and, later, Ron Carter. He played with Paul Desmond, Ben Webster and Coleman Hawkins. He recorded solo albums. His accumulated body of soft-dimensional work made him a hero to rock-guitar

heroes. "I began to hear people say that more and more," he said. "It's nice. I try to learn from those guys too. It's not as much being a guitar player as being a musician."

That's the way I think about Miles Davis. I always find myself defending Miles. He's just so smart and gifted and courageous. His current band sounds like Bartok with a backbeat. As I get older I've been getting more courage to try new things. A lot of people take less risks as they get older but Picasso and Stravinsky didn't do that. I want to go out like they did."

Getting older may've been on his mind for a reason: After the concert, Hall joined Petrucci and others for a late dinner at a nearby brasserie. Petrucci had arranged for a cake to celebrate Hall's 55th birthday, which would arrive in 20 minutes — midnight. Hearing people whispering words like "gâteau," Hall guessed what was up, and slipped out of the restaurant. "He's going to his hotel," his agent said. "He's so shy. He said he couldn't handle it."

West German Clinic Kitsch Outsoaps 'Dallas'

By Richard Williams

BOON — A West German soap opera called "Schwarzwaldklinik" (Black Forest Clinic), widely lambasted as visual kitsch by the critics, has established itself as a runaway TV success in seven weeks.

Ratings show more than 20 million fans are hooked on the tale of doctors and nurses in a sanatorium deep in southern Germany. In its first week of transmission, "Schwarzwaldklinik" broke all audience records in West Germany, attracting 24.6 million viewers. American imports such as "Dynasty" and "Dallas" are watched by about 17 million.

A book on the series has been published and a second is being printed. The Black Forest rest home where location scenes are shot has become a place of pilgrimage for viewers.

A leading television magazine described the character Doctor Brinkmann, head of the clinic, as "the sort of doctor women dream about." Kind to animals, totally without prejudice when operating on a wife-murderer, Brinkmann even pays the hospital bill of a penniless tramp in one episode. This paragon of virtue shows signs of worry only when his son Udo, a doctor at the clinic, is chasing a young nurse, Elke.

Udo is one of the few concessions to a permissive society made by the Sunday night program's scriptwriters. The more explicit as-

pects of his womanizing, however, are kept off the screen.

West German television's publicly owned second channel, ZDF, which shows "Schwarzwaldklinik," has commissioned 11 45-minute episodes for next year to follow the original 25.

The influential news magazine Der Spiegel dubbed the series "Opportunistic Kitsch." Spiegel said "Schwarzwaldklinik" was "an unrestrained lapse back to the 1950s, when kitsch and sentimentality... fed a conservatism confused by anything new." It charged that the show was a throwback to the "Heimat films" — set in rural Germany and glorifying the traditional

TRAVELLERS REASSURED 'WATER IN BOMBAY SAFE TO DRINK'

Based on his long and intimate acquaintance with Bombay our foreign correspondent writes: "Of all the things that people drink in Bombay, water has never figured prominently."

Most prefer Tonic in Bombay, Martini in Bombay or Orange in Bombay. Indeed, anything that one would usually mix in Bombay.

But, let me assure you, there is no need to stay clear of the water.

Those rumours which infer that water does not mix with this most distinctive of Imported London Dry Gins are well and truly ill-founded."



Frankfurt "Das Rheingold's" Fasolt and Fafner figures, with business-suited singers.

Gielen-Berghaus 'Ring' on Target With an Eye-Catching 'Rheingold'

By Andrew Clark

FRANKFURT — Like most German conductors and opera directors, Michael Gielen wanted to put his stamp on Wagner's "Ring," and with the new Frankfurt production of "Das Rheingold" it looks as if his plan is well on target. The production is a vindication of what Gielen has done in his eight years as director of the Frankfurt Opera, which under his guidance has embellished its reputation as one of the most progressive opera companies in West Germany.

The new Frankfurt "Ring" is conducted by Gielen and staged by the East German producer Ruth Berghaus, one of a group of avant-garde stage directors with whom Gielen, 58, is associated. Together they have helped to realize his policy of questioning traditional approaches to the standard operatic repertoire and experimenting with new techniques in music theater.

"Das Rheingold" is to be joined by "Die Walküre" in May. The first two parts of the cycle, "Siegfried" and "Götterdämmerung," will follow next season, culminating with three complete "Ring" cycles in 1987. That will be Gielen's parting shot: After 10 years at Frankfurt he will move to Baden-Baden to become chief conductor of the Southwest German Radio Orchestra. The Frankfurt city government has chosen the Israeli conductor Gary Bertini as his successor.

The main surprise in "Das Rheingold" is that Berghaus avoids

the overt political connotations with which the "Ring" has been so heavily laden in recent years. In interviews before the opening there was much talk of a psychoanalytical concept, for which the "Ring" no doubt is rich hunting ground. Whether this works as a practical approach in the theater will become apparent only as the Frankfurt cycle develops into its later stages.

On its own, "Das Rheingold" provides an absorbing evening, though at times it succumbs to the avant-garde cliché and suffers from overkill in its profusion of ideas. But with Gielen's superb elucidation of the score and a cast of uneven quality, the production combines humor, a well-argued analysis of human behavior and — at its most immediate level — some eye-catching imagery.

The Rhine maidens are halfway between classical statues and mermaids, suspended against a black backdrop that allows them to sway and circle. The gods — also depicted in white neo-classical garb — slump around stage on plinths, but are forced to "come down to earth" when Freia, the goddess of youth, is abducted. The inhabitants of Nibelheim are identically masked as surrealist dwarfs, while Fasolt and Fafner are represented as two giant mobile terracotta figures fronted by expressionless singers in dark suits. Valhalla is a huge open-ended ring of concrete, tilted to one side and decorated with a map of the universe.

The thread Berghaus weaves

through these startling stage pictures is the force of human self-centeredness personified by the gods. Preoccupied with Loge's guide to the Nibelheim gold, they fail to notice Freia's abduction. Flushed with self-congratulation at the return of their privileges after Freia's return, they callously ignore the giants' fight over the gold. Heirs to the splendor of property for which they have not paid, they are dealt to the Rhine maidens' pleas for the return of the plundered treasure. From one angle the production is a devastating critique of greed and social disharmony; from another, it is a manifesto for the egalitarian society.

The principal musical value lies in Gielen's authoritative and fluent reading of the score, which shuns its histrionic qualities in favor of light textures, selective bursts of energy and a coherent pointing of the drama. Orchestra and cast have clearly been meticulously prepared; the voices of the Rhine maidens are well-blended, and coordination between stage and pit is exemplary.

Judging by the cast for "Rheingold," which combines the extremes of youth and experience, the most commanding characters in this "Ring" may turn out to be the least expected. The best voices and characterizations of the evening are those of Adelbert Walter as Alberich, Manfred Schenk as Fasolt, Barry Mora as Donner and Heinz Zednik as Loge. The company will have to find a more experienced Wotan for "Die Walküre." In most respects, however, the prospects for the development of this cycle are good.

Further performances Dec. 21, 29 and Jan. 1, and in March, April and May.

Andrew Clark is a journalist and music critic based in Switzerland.

DOONESBURY



1928 Carousel Is Sold For Record \$600,000

United Press International
HULL, Massachusetts — A 1928 carousel with 62 wooden horses, from a recently razed amusement park, has been sold at auction to 15 local investors for almost \$600,000, the highest price ever paid for an antique carousel.

The group just surpassed the \$598,800 reserve. "It would have been a crime if it left town," said Peter Seitz, one of the buyers. "I worked my way through college selling rides on that carousel."

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NYSE Most Actives				
Vol.	High	Low	Last	Ch.
Unicom	24.00	23.75	23.75	++
Philips	23.00	22.75	22.75	++
AT&T	22.00	21.75	21.75	++
IBM	21.00	20.75	20.75	++
Meridian	20.00	19.75	19.75	++
Verizon	19.00	18.75	18.75	++
WorldCom	18.00	17.75	17.75	++
Qwest	17.00	16.75	16.75	++
Sprint	16.00	15.75	15.75	++
Telecom	15.00	14.75	14.75	++
US West	14.00	13.75	13.75	++
Southwest	13.00	12.75	12.75	++
Frontier	12.00	11.75	11.75	++
Delta	11.00	10.75	10.75	++
United	10.00	9.75	9.75	++
Southwest	9.00	8.75	8.75	++
Delta	8.00	7.75	7.75	++
United	7.00	6.75	6.75	++
Southwest	6.00	5.75	5.75	++
Delta	5.00	4.75	4.75	++
United	4.00	3.75	3.75	++
Southwest	3.00	2.75	2.75	++
Delta	2.00	1.75	1.75	++
United	1.00	0.75	0.75	++
Southwest	0.00	0.00	0.00	++

Dow Jones Averages				
Open	High	Low	Last	Ch.
Indus	1523.00	1515.00	1515.00	+17.89
Transp	123.00	122.00	122.00	+1.00
Comp	812.00	805.00	805.00	+7.00

NYSE Index				
High	Low	Close	Ch.	%Ch.
1523.00	1515.00	1515.00	+17.89	+1.17
123.00	122.00	122.00	+1.00	+0.81
812.00	805.00	805.00	+7.00	+0.86

Monday's

NYSE

Closing

Vol. of 4 P.M. 17,676,000
Prev. 4 P.M. vol. 17,700,000
Prev. associated close \$15,703.50

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

AMEX Diaries				
Class	Prev.	Ch.	%Ch.	Vol.
Advanced	1.00	0.00	0.00	100
Declined	1.00	0.00	0.00	100
Unchanged	1.00	0.00	0.00	100
Volume up	1.00	0.00	0.00	100
Volume down	1.00	0.00	0.00	100

NASDAQ Index				
Class	Ch.	Prev.	Week	Year
Composite	+1.17	1515.00	+1.17	+1.17
Industries	+1.17	1515.00	+1.17	+1.17
Finance	+1.17	1515.00	+1.17	+1.17
Utilities	+1.17	1515.00	+1.17	+1.17
Transport	+1.17	1515.00	+1.17	+1.17

AMEX Most Actives				
Vol.	High	Low	Last	Ch.
Unicom	24.00	23.75	23.75	++
Philips	23.00	22.75	22.75	++
AT&T	22.00	21.75	21.75	++
IBM	21.00	20.75	20.75	++
Meridian	20.00	19.75	19.75	++
Verizon	19.00	18.75	18.75	++
WorldCom	18.00	17.75	17.75	++
Qwest	17.00	16.75	16.75	++
Sprint	16.00	15.75	15.75	++
Telecom	15.00	14.75	14.75	++
US West	14.00	13.75	13.75	++
Southwest	13.00	12.75	12.75	++
Delta	12.00	11.75	11.75	++
United	11.00	10.75	10.75	++
Southwest	10.00	9.75	9.75	++
Delta	9.00	8.75	8.75	++
United	8.00	7.75	7.75	++
Southwest	7.00	6.75	6.75	++
Delta	6.00	5.75	5.75	++
United	5.00	4.75	4.75	++
Southwest	4.00	3.75	3.75	++
Delta	3.00	2.75	2.75	++
United	2.00	1.75	1.75	++
Southwest	1.00	0.75	0.75	++
Delta	0.00	0.00	0.00	++

Dow Jones Bond Averages				
Class	Ch.	Prev.	Week	Year
Bonds	+0.01	110.00	+0.01	+0.01
Utilities	+0.01	110.00	+0.01	+0.01
Industries	+0.01	110.00	+0.01	+0.01

NYSE Diaries				
Class	Prev.	Ch.	%Ch.	Vol.
Advanced	1.00	0.00	0.00	100
Declined	1.00	0.00	0.00	100
Unchanged	1.00	0.00	0.00	100
Volume up	1.00	0.00	0.00	100
Volume down	1.00	0.00	0.00	100

Odd-Lot Trading in N.Y.				
Class	Prev.	Ch.	%Ch.	Vol.
Advanced	1.00	0.00	0.00	100
Declined	1.00	0.00	0.00	100
Unchanged	1.00	0.00	0.00	100
Volume up	1.00	0.00	0.00	100
Volume down	1.00	0.00	0.00	100

Standard & Poor's Index				
Class	Prev.	Ch.	%Ch.	Vol.
Industries	1.00	0.00	0.00	100
Utilities	1.00	0.00	0.00	100
Finance	1.00	0.00	0.00	100
Transport	1.00	0.00	0.00	100
Composite	1.00	0.00	0.00	100

AMEX Sales				
Class	Prev.	Ch.	%Ch.	Vol.
Advanced	1.00	0.00	0.00	100
Declined	1.00	0.00	0.00	100
Unchanged	1.00	0.00	0.00	100
Volume up	1.00	0.00	0.00	100
Volume down	1.00	0.00	0.00	100

AMEX Stock Index				
Class	Prev.	Ch.	%Ch.	Vol.
Advanced	1.00	0.00	0.00	100
Declined	1.00	0.00	0.00	100
Unchanged	1.00	0.00	0.00	100
Volume up	1.00	0.00	0.00	100
Volume down	1.00	0.00	0.00	100

Dow Index Soars Past 1,550

United Press International

NEW YORK — The Dow Jones industrial average crashed through the 1,550 mark Monday as investors anticipated further interest-rate declines in the seventh-heaviest trading in history.

The Dow Jones industrial, transportation and utilities averages set records as did the broader market indexes.

"The market's on a roll," said Monte Gordon of Dreyfus Corp.

Purchases related to expiring December stock-index futures and options contracts and to so-called year-end window-dressing also fueled the buying.

After racking up a 23.97-point gain Friday, the popular Dow industrial index climbed another 17.89 points to close at 1,553.10, surpassing its previous all-time high of 1,535.21.

Late profit-taking dragged the Dow down from a mid-afternoon height of more than 28 points. The Dow closed above 1,500 for the first time last Wednesday.

Bourled by continued optimism about interest rates, the Dow utility average rose 2.21 to 171.01, breaking through its former record of 168.91 set July 12. The Dow transportation index exceeded a high set Friday, driving ahead 0.70 to 722.61.

Among the broader market indicators, the New York Stock Exchange climbed 1.07 to 121.90, its fourth new record in as many sessions. Standard & Poor's 500-stock index rose 2.08 to 212.02, its sixth new high in six days. The price of an average share jumped 33 cents.

Advancing issues outpaced declines 1,018-700 among the 2,081 issues traded.

Big Board volume amounted to 176 million shares compared with 177.9 million shares traded Friday.

Composite volume of NYSE-listed issues on all U.S. exchanges and over the counter totaled 210.5 million shares, compared with 215.9 million shares traded Friday.

Prices advanced on the view that subdued inflation and sluggish economic activity will allow the Federal Reserve to let interest rates fall.

The Fed's policy-making arm is meeting early this week in Washington to discuss the economy and monetary policy. Analysts said Federal Open Market Committee members may reach a decision on whether or not to cut the discount rate.

"There is a heady sense of expectation that the Fed may lower the rate before the end of the year," Mr. Gordon said.

Trading connected to the options and futures markets also spurred the market higher, participants said. Buying by traders whose strategies involved being short stocks and who wanted to cover their short positions gave prices a boost, they said.

December contracts in both the stock-index futures and options markets expired Friday, as do individual options contracts. Because of this, the market could experience some added volatility, said Alfred Goldman of A.G. Edwards in St. Louis.

Purchases by money managers who do not want to show large cash positions in their portfolios at the end of the year also aided the market's advance, traders said.

16	15	14	AAR	0.00	1.00	15.00	15	15.00	14.75	14.75	++	15.00
17	16	15	AGS	0.00	1.00	16.00	16	16.00	15.75	15.75	++	16.00
18	17	16	AMC	0.00	1.00	17.00	17	17.00	16.75	16.75	++	17.00
19	18	17	AMT	0.00	1.00	18.00	18	18.00	17.75	17.75	++	18.00
20	19	18	AMT	0.00	1.00	19.00	19	19.00	18.75	18.75	++	19.00
21	20	19	AMT	0.00	1.00	20.00	20	20.00	19.75	19.75	++	20.00
22	21	20	AMT	0.00	1.00	21.00	21	21.00	20.75	20.75	++	21.00
23	22	21	AMT	0.00	1.00	22.00	22	22.00	21.75	21.75	++	22.00
24	23	22	AMT	0.00	1.00	23.00	23	23.00	22.75	22.75	++	23.00
25	24	23	AMT	0.00	1.00	24.00	24	24.00	23.75	23.75	++	24.00
26	25	24	AMT	0.00	1.00	25.00	25	25.00	24.75	24.75	++	25.00
27	26	25	AMT	0.00	1.00	26.00	26	26.00	25.75	25.75	++	26.00
28	27	26	AMT	0.00	1.00	27.00	27	27.00	26.75	26.75	++	27.00
29	28	27	AMT	0.00	1.00	28.00	28	28.00	27.75	27.75	++	28.00
30	29	28	AMT	0.00	1.00	29.00	29	29.00	28.75	28.75	++	29.00
31	30	29	AMT	0.00	1.00	30.00	30	30.00	29.75	29.75	++	30.00
32	31	30	AMT	0.00	1.00	31.00	31	31.00	30.75	30.75	++	31.00
33	32	31	AMT	0.00	1.00	32.00	32	32.00	31.75	31.75	++	32.00
34	33	32	AMT	0.00	1.00	33.00	33	33.00	32.75	32.75	++	33.00
35	34	33	AMT	0.00	1.00	34.00	34	34.00	33.75	33.75	++	34.00
36	35	34	AMT	0.00	1.00	35.00	35	35.00	34.75	34.75	++	35.00
37	36	35	AMT	0.00	1.00	36.00	36	36.00	35.75	35.75	++	36.00
38	37	36	AMT	0.00	1.00	37.00	37	37.00	36.75	36.75	++	37.00
39	38	37	AMT	0.00	1.00	38.00	38	38.00	37.75	37.75	++	38.00
40	39	38	AMT	0.00	1.00	39.00	39	39.00	38.75	38.75	++	39.00
41	40	39	AMT	0.00	1.00	40.00	40	40.00	39.75	39.75	++	40.00
42	41	40	AMT	0.00	1.00	41.00	41	41.00	40.75	40.75	++	41.00
43	42	41	AMT	0.00	1.00	42.00	42	42.00	41.75	41.75	++	42.00
44	43	42	AMT	0.00	1.00	43.00	43	43.00	42.75	42.75	++	43.00
45	44	43	AMT	0.00	1.00	44.00	44	44.00	43.75	43.75	++	44.00
46	45	44	AMT	0.00	1.00	45.00	45	45.00	44.75	44.75	++	45.00
47	46	45	AMT	0.00	1.00	46.00	46	46.00	45.75	45.75	++	46.00
48	47	46	AMT	0.00	1.00	47.00	47	47.00	46.75	46.75	++	47.00
49	48	47	AMT	0.00	1.00	48.00	48	48.00	47.75	47.75	++	48.00
50	49	48	AMT	0.00	1.00	49.00	49	49.00	48.75	48.75	++	49.00
51	50	49	AMT	0.00	1.00	50.00	50	50.00	49.75	49.75	++	50.00
52	51	50	AMT	0.00	1.00	51.00	51	51.00	50.75	50.75	++	51.00
53	52	51	AMT	0.00	1.00	52.00	52	52.00	51.75	51.75	++	52.00
54	53	52	AMT	0.00	1.00	53.00	53	53.00	52.75	52.75	++	53.00
55	54	53	AMT	0.00	1.00	54.00	54	54.00	53.75	53.75	++	54.00
56	55	54	AMT	0.00	1.00	55.00	55	55.00	54.75	54.75	++	55.00
57	56	55	AMT	0.00	1.00	56.00	56	56.00	55.75	55.75	++	56.00
58	57	56	AMT	0.00	1.00	57.00	57	57.00	56.75	56.75	++	57.00
59	58	57	AMT	0.00	1.00	58.00	58	58.00	57.75	57.75	++	58.00
60	59	58	AMT	0.00	1.00	59.00	59	59.00	58.75	58.75	++	59.00
61	60	59	AMT	0.00	1.00	60.00	60	60.00	59.75	59.75	++	60.00
62	61	60	AMT	0.00	1.00	61.00	61	61.00	60.75	60.75	++	61.00
63	62	61	AMT	0.00	1.00	62.00	62	62.00	61.75	61.75	++	62.00
64	63	62	AMT	0.00	1.00	63.00	63	63.00	62.75	62.75	++	63.00
65	64	63	AMT	0.00	1.00	64.00	64	64.00	63.75	63.75	++	64.00
66	65	64	AMT	0.00	1.00	65.00	65	65.00	64.75	64.75	++	65.00
67	66	65	AMT	0.00	1.00	66.00	66	66.00	65.75	65.75	++	66.00
68	67	66	AMT	0.00	1.00	67.00	67	67.00	66.75	66.75	++	67.00
69	68	67	AMT	0.00	1.00	68.00	68	68.00	67.75	67.75	++	68.00
70	69	68	AMT	0.00	1.00	69.00	69	69.00	68.75	68.75	++	69.00
71	70	69	AMT	0.00	1.00	70.00	70	70.00	69.75	69.75	++	70.00
72	71	70	AMT	0.00	1.00	71.00	71	71.00	70.75	70.75	++	71.00
73	72	71	AMT	0.00	1.00	72.00	72	72.00	71.75	71.75	++	72.00
74	73	72	AMT	0.00	1.00	73.00	73	73.00	72.75	72.75	++	73.00
75	74	73	AMT	0.00	1.00	74.00	74	74.00	73.75	73.75	++	74.00
76	75	74	AMT	0.00	1.00	75.00	75	75.00	74.75	74.75	++	75.00
77	76	75	AMT	0.00	1.00	76.00	76	76.00	75.75	75.75	++	76.00
78	77	76	AMT	0.00	1.00	77.00	77	77.00	76.75	76.75	++	77.00
79	78	77	AMT	0.00	1.00	78.00	78	78.00	77.75	77.75	++	78.00
80	79	78	AMT	0.00	1.00	79.00	79	79.00	78.75	78.75	++	79.00
81	80	79	AMT	0.00	1.00	80.00	80	80.00	79.75	79.75	++	80.00
82	81	80	AMT	0.00	1.00	81.00	81	81.00	80.75	80.75	++	81.00
83	82	81	AMT	0.00	1.00	82.00	82	82.00	81.75	81.75	++	82.00
84	83	82	AMT	0.00	1.00	83.00	83	83.00	82.75	82.75	++	83.00
85	84	83	AMT	0.00	1.00	84.00	84	84.00	83.75	83.75	++	84.00
86	85	84	AMT	0.00	1.00	85.00	85	85.00	84.75	84.75	++	85.00
87	86	85	AMT	0.00	1.00	86.00	86	86.00	85.75	85.75	++	86.00
88	87	86	AMT	0.00	1.00	87.00	87	87.00	86.75	86.75	++	87.00
89	88	87	AMT	0.00	1.00	88.00	88	88.00	87.75	87.75	++	88.00
90	89	88	AMT	0.00	1.00	89.00	89	89.00	88.75	88.75	++	89.00
91	90	89	AMT	0.00	1.00	90.00	90	90.00	89.75	89.75	++	90.00
92	91	90	AMT	0.00	1.00	91.00	91	91.00	90.75	90.75	++	91.00
93	92	91	AMT	0.00	1.00	92.00	92	92.00	91.75	91.75	++	92.00
94	93	92	AMT	0.00	1.00	93.00	93	93.00	92.75	92.75	++	93.00
95	94	93	AMT	0.00	1.00	94.00	94	94.00	93.75	93.75	++	94.00
96	95	94	AMT	0.00	1.00	95.00	95	95.00	94.75	94.75	++	95.00
97	96	95	AMT	0.00	1.00	96.00	96	96.00	95.75	95.75	++	96.00
98	97	96	AMT	0.00	1.00	97.00	97	97.00	96.75	96.75	++	97.00
99	98	97	AMT	0.00	1.00	98.00	98	98.00	97.75	97.75	++	98.00
100	99	98	AMT	0.00	1.00	99.00	99	99.00	98.75	98.75	++	99.00
101	100	99	AMT	0.00	1.00	100.00	100	100.00	99.75	99.75	++	100.00
102	101	100	AMT	0.00	1.00	101.00	101	101.00	100.75	100.75	++	101.00
103	102	101	AMT	0.00	1.00	102.00	102	102.00	101.75	101.75	++	102.00
104	103	102	AMT	0.00	1.00	103.00	103	103.00	102.75	102.75	++	103.00
105	104	103	AMT	0.00	1.00	104.00	104	104.00	103.75	103.75	++	104.00
106	105	104	AMT	0.00	1.00	105.00	105	105.00	104.75	104.75	++	105.00
107	106	105	AMT	0.00	1.00	106.00	106	106.00	105.75	105.75	++	106.00
108	107	106	AMT	0.00	1.00	107.00	107	107.00	106.75	106.75	++	107.00
109	108	107	AMT	0.00	1.00	108.00	108	108.00	107.75	107.75	++	108.00
110	109	108	AMT	0.00	1.00	109.00	109	109.00	108.75	108.75	++	109.00
111	110	109	AMT	0.00	1.00	110.00	110	110.00	109.75	109.75	++	110.00
112	111	110	AMT	0.00	1.00	111.00	111	111.00	110.75	110.75	++	111.00
113	112	111	AMT	0.00	1.00	112.00	112	112.00	111.75	111.75	++	112.00
114	113	112	AMT	0.00	1.00	113.00	113	113.00	112.75	112.75	++	113.00
115	114	113	AMT	0.00	1.00	114.00	114	114.00	113.75	113.75	++	114.00
116	115	114	AMT	0.00	1.00	115.00	115	115.00	114.75	114.75	++	115.00
117	116	115	AMT	0.00	1.00	116.00	116	116.00	115.75	115.75	++	116.00
118	117	116	AMT	0.00	1.00	117.00	117	117.00	116.75	116.75	++	117.00
119	118	117	AMT	0.00	1.00	118.00	118	118.00	117.75	117.75	++	118.00
120	119	118	AMT	0.00	1.00	119.00	119	119.00	118.75	118.75	++	119.00
121	120	119	AMT	0.00	1.00	120.00	120	120.00	119.75	119.75	++	120.00
122	121	120	AMT	0.00	1.00	121.00	121	121.00	120.75	120.75	++	121.00
123	122	121	AMT	0.00	1.00	122.00	122	122.00	121.75	12		

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued from Page 12)

Stock	High	Low	Open	Close
IBM	155 1/4	154 3/4	154 3/4	155 1/4
Microsoft	68 1/2	67 1/2	67 1/2	68 1/2
Apple	45 1/4	44 3/4	44 3/4	45 1/4
Oracle	35 1/4	34 3/4	34 3/4	35 1/4
Lotus	25 1/4	24 3/4	24 3/4	25 1/4
Novell	15 1/4	14 3/4	14 3/4	15 1/4
Intuit	10 1/4	9 3/4	9 3/4	10 1/4
VisiCalc	5 1/4	4 3/4	4 3/4	5 1/4
Excel	3 1/4	2 3/4	2 3/4	3 1/4
Word	2 1/4	1 3/4	1 3/4	2 1/4

Stock	High	Low	Open	Close
AT&T	45 1/4	44 3/4	44 3/4	45 1/4
Verizon	35 1/4	34 3/4	34 3/4	35 1/4
WorldCom	25 1/4	24 3/4	24 3/4	25 1/4
Sprint	15 1/4	14 3/4	14 3/4	15 1/4
Qwest	10 1/4	9 3/4	9 3/4	10 1/4
Southwest	5 1/4	4 3/4	4 3/4	5 1/4
Delta	3 1/4	2 3/4	2 3/4	3 1/4
American	2 1/4	1 3/4	1 3/4	2 1/4
United	1 1/4	1 1/4	1 1/4	1 1/4
Northwest	1 1/4	1 1/4	1 1/4	1 1/4

Stock	High	Low	Open	Close
Boeing	105 1/4	104 3/4	104 3/4	105 1/4
Lockheed	95 1/4	94 3/4	94 3/4	95 1/4
McDonnell	85 1/4	84 3/4	84 3/4	85 1/4
Rockwell	75 1/4	74 3/4	74 3/4	75 1/4
Northrop	65 1/4	64 3/4	64 3/4	65 1/4
Grumman	55 1/4	54 3/4	54 3/4	55 1/4
Boeing	45 1/4	44 3/4	44 3/4	45 1/4
Lockheed	35 1/4	34 3/4	34 3/4	35 1/4
McDonnell	25 1/4	24 3/4	24 3/4	25 1/4
Rockwell	15 1/4	14 3/4	14 3/4	15 1/4

Stock	High	Low	Open	Close
General	15 1/4	14 3/4	14 3/4	15 1/4
Boeing	10 1/4	9 3/4	9 3/4	10 1/4
Lockheed	5 1/4	4 3/4	4 3/4	5 1/4
McDonnell	3 1/4	2 3/4	2 3/4	3 1/4
Rockwell	2 1/4	1 3/4	1 3/4	2 1/4
Northrop	1 1/4	1 1/4	1 1/4	1 1/4
Grumman	1 1/4	1 1/4	1 1/4	1 1/4
Boeing	1 1/4	1 1/4	1 1/4	1 1/4
Lockheed	1 1/4	1 1/4	1 1/4	1 1/4
McDonnell	1 1/4	1 1/4	1 1/4	1 1/4

Stock	High	Low	Open	Close
Boeing	105 1/4	104 3/4	104 3/4	105 1/4
Lockheed	95 1/4	94 3/4	94 3/4	95 1/4
McDonnell	85 1/4	84 3/4	84 3/4	85 1/4
Rockwell	75 1/4	74 3/4	74 3/4	75 1/4
Northrop	65 1/4	64 3/4	64 3/4	65 1/4
Grumman	55 1/4	54 3/4	54 3/4	55 1/4
Boeing	45 1/4	44 3/4	44 3/4	45 1/4
Lockheed	35 1/4	34 3/4	34 3/4	35 1/4
McDonnell	25 1/4	24 3/4	24 3/4	25 1/4
Rockwell	15 1/4	14 3/4	14 3/4	15 1/4

Stock	High	Low	Open	Close
Boeing	105 1/4	104 3/4	104 3/4	105 1/4
Lockheed	95 1/4	94 3/4	94 3/4	95 1/4
McDonnell	85 1/4	84 3/4	84 3/4	85 1/4
Rockwell	75 1/4	74 3/4	74 3/4	75 1/4
Northrop	65 1/4	64 3/4	64 3/4	65 1/4
Grumman	55 1/4	54 3/4	54 3/4	55 1/4
Boeing	45 1/4	44 3/4	44 3/4	45 1/4
Lockheed	35 1/4	34 3/4	34 3/4	35 1/4
McDonnell	25 1/4	24 3/4	24 3/4	25 1/4
Rockwell	15 1/4	14 3/4	14 3/4	15 1/4

Floating-Rate Notes

Stock	High	Low	Open	Close
IBM	155 1/4	154 3/4	154 3/4	155 1/4
Microsoft	68 1/2	67 1/2	67 1/2	68 1/2
Apple	45 1/4	44 3/4	44 3/4	45 1/4
Oracle	35 1/4	34 3/4	34 3/4	35 1/4
Lotus	25 1/4	24 3/4	24 3/4	25 1/4
Novell	15 1/4	14 3/4	14 3/4	15 1/4
Intuit	10 1/4	9 3/4	9 3/4	10 1/4
VisiCalc	5 1/4	4 3/4	4 3/4	5 1/4
Excel	3 1/4	2 3/4	2 3/4	3 1/4
Word	2 1/4	1 3/4	1 3/4	2 1/4

Stock	High	Low	Open	Close
AT&T	45 1/4	44 3/4	44 3/4	45 1/4
Verizon	35 1/4	34 3/4	34 3/4	35 1/4
WorldCom	25 1/4	24 3/4	24 3/4	25 1/4
Sprint	15 1/4	14 3/4	14 3/4	15 1/4
Qwest	10 1/4	9 3/4	9 3/4	10 1/4
Southwest	5 1/4	4 3/4	4 3/4	5 1/4
Delta	3 1/4	2 3/4	2 3/4	3 1/4
American	2 1/4	1 3/4	1 3/4	2 1/4
United	1 1/4	1 1/4	1 1/4	1 1/4
Northwest	1 1/4	1 1/4	1 1/4	1 1/4

Stock	High	Low	Open	Close
Boeing	105 1/4	104 3/4	104 3/4	105 1/4
Lockheed	95 1/4	94 3/4	94 3/4	95 1/4
McDonnell	85 1/4	84 3/4	84 3/4	85 1/4
Rockwell	75 1/4	74 3/4	74 3/4	75 1/4
Northrop	65 1/4	64 3/4	64 3/4	65 1/4
Grumman	55 1/4	54 3/4	54 3/4	55 1/4
Boeing	45 1/4	44 3/4	44 3/4	45 1/4
Lockheed	35 1/4	34 3/4	34 3/4	35 1/4
McDonnell	25 1/4	24 3/4	24 3/4	25 1/4
Rockwell	15 1/4	14 3/4	14 3/4	15 1/4

Stock	High	Low	Open	Close
General	15 1/4	14 3/4	14 3/4	15 1/4
Boeing	10 1/4	9 3/4	9 3/4	10 1/4
Lockheed	5 1/4	4 3/4	4 3/4	5 1/4
McDonnell	3 1/4	2 3/4	2 3/4	3 1/4
Rockwell	2 1/4	1 3/4	1 3/4	2 1/4
Northrop	1 1/4	1 1/4	1 1/4	1 1/4
Grumman	1 1/4	1 1/4	1 1/4	1 1/4
Boeing	1 1/4	1 1/4	1 1/4	1 1/4
Lockheed	1 1/4	1 1/4	1 1/4	1 1/4
McDonnell	1 1/4	1 1/4	1 1/4	1 1/4

Stock	High	Low	Open	Close
Boeing	105 1/4	104 3/4	104 3/4	105 1/4
Lockheed	95 1/4	94 3/4	94 3/4	95 1/4
McDonnell	85 1/4	84 3/4	84 3/4	85 1/4
Rockwell	75 1/4	74 3/4	74 3/4	75 1/4
Northrop	65 1/4	64 3/4	64 3/4	65 1/4
Grumman	55 1/4	54 3/4	54 3/4	55 1/4
Boeing	45 1/4	44 3/4	44 3/4	45 1/4
Lockheed	35 1/4	34 3/4	34 3/4	35 1/4
McDonnell	25 1/4	24 3/4	24 3/4	25 1/4
Rockwell	15 1/4	14 3/4	14 3/4	15 1/4

Stock	High	Low	Open	Close
Boeing	105 1/4	104 3/4	104 3/4	105 1/4
Lockheed	95 1/4	94 3/4	94 3/4	95 1/4
McDonnell	85 1/4	84 3/4	84 3/4	85 1/4
Rockwell	75 1/4	74 3/4	74 3/4	75 1/4
Northrop	65 1/4	64 3/4	64 3/4	65 1/4
Grumman	55 1/4	54 3/4	54 3/4	55 1/4
Boeing	45 1/4	44 3/4	44 3/4	45 1/4
Lockheed	35 1/4	34 3/4	34 3/4	35 1/4
McDonnell	25 1/4	24 3/4	24 3/4	25 1/4
Rockwell	15 1/4	14 3/4	14 3/4	15 1/4

EULABANK

Extract from Audited Consolidated Accounts for the eleventh year ended 30th September 1985

	1985	1984
Profit before Taxation	8,937,399	8,749,891
Profit after Taxation	4,927,067	4,654,849
Share Capital and Reserves	42,943,804	38,016,737
Subordinated Loans	25,000,000	28,112,450
Deposits	814,933,329	831,616,231
Cash at Banks, etc	170,629,058	164,875,064
Deposits Placed	92,695,469	34,631,531
Loans and Advances	608,142,109	697,733,360
Total Assets	894,765,579	921,198,202

Eulabank is an international merchant bank based in the City of London; its shareholders are leading European and Latin American banks. The bank specialises in arranging and participating in loans to major borrowers throughout Latin America.

SHAREHOLDER BANKS

Europe: Algemeene Bank Nederland NV; Banca Nazionale del Lavoro; Banco Central SA; Banque Bruxelles Lambert SA; Banque Nationale de Paris SA; Barclays Bank PLC; Bayerische Hypotheken- und Wechsel-Bank AG; Deutsch-Südamerikanische Bank AG; Dresdner Bank AG; Österreichische Länderbank AG; Union Bank of Switzerland.

Latin America: Banca Sefin SNC; Banco de Colombia; Banco de la Nación; Banco de la Nación Argentina; Banco de la República Oriental del Uruguay; Banco del Estado; Banco del Estado de Chile; Banco del Pichincha CA; Banco do Brasil SA; Banco Industrial de Venezuela CA; Banco Mercantil de São Paulo SA.

The above extract is an abridged version of the group's full accounts which will be filed with the Registrar of Companies and on which the company's auditors gave an unqualified report.

Copies of the Annual Report and Accounts may be obtained from the Secretary.

EULABANK

Euro-Latin American Bank Limited

Offices: House, 55 Basinghall Street, London EC2V 5EN. Tel: 01-606 6141. Telex: 8812629

All of these securities having been sold this announcement appears as a matter of record only.

2,000,000 Shares

GWC Corporation

Common Stock

(\$0.1 par value)

Lazard Frères & Co.

Bear, Stearns & Co. Inc.	The First Boston Corporation	Alex. Brown & Sons Incorporated
Dillon, Read & Co. Inc.	Donaldson, Lufkin & Jenrette Securities Corporation	Drexel Burnham Lambert Incorporated
Goldman, Sachs & Co.	Hambrecht & Quist Incorporated	E. F. Hutton & Company Inc.
Kidder, Peabody & Co. Incorporated	Merrill Lynch Capital Markets	Montgomery Securities
Morgan Stanley & Co. Incorporated	PaineWebber Incorporated	Prudential-Bache Securities
L. F. Rothschild, Unterberg, Towbin		Robertson, Colman & Stephens
Shearson Lehman Brothers Inc.		Salomon Brothers Inc.
Wertheim & Co., Inc.	Dean Witter Reynolds Inc.	Smith Barney, Harris Upham & Co. Incorporated
Allen & Company Incorporated	Arnhold and S. Bleichroeder, Inc.	Butcher & Singer Inc.
A. G. Edwards & Sons, Inc.	Moseley, Hallgarten, Estabrook & Weedon Inc.	
Oppenheimer & Co., Inc.		Rothschild Inc.
Thomson McKinnon Securities Inc.		Tucker, Anthony & R. L. Day, Inc.

December, 1985

BUSINESS ROUNDUP

Thyssen Stahl Quadruples Profit

By Warren Getler
International Herald Tribune
DUISBURG, West Germany — Thyssen Stahl AG, Europe's largest steelmaker, said Monday it more than quadrupled group profit to 383 million Deutsche marks (\$152 million) for the year, up from 93 million DM a year earlier.

Heinz Kriwet, Thyssen Stahl's chairman, said that despite the jump in profit, the profit-loss relationship at the company fell short of what he considers a profit margin of 5 percent. In sales of 10.4 billion DM, up from 9.2 billion a year earlier, Thyssen's profit margin was 3.6 percent.

Mr. Kriwet said the group's performance in the year ending in September was due primarily to robust foreign demand for both crude steel and continuing cost-cutting measures. Crude-steel production rose 5 percent to about 11.1 million metric tons (12.2 million short tons).

Electronic Data Seeks Ventures With Logica

International Herald Tribune
LONDON — Electronic Data Systems Corp., a unit of General Motors Corp., said Monday that it had approached Logica PLC of Britain about "possible business combinations of the two firms."

Logica, a troubled British computer-software and office-automation company, had a loss of \$5.3 million (\$7.6 million) on sales of \$80.6 million in the year ended June 30. EDS, acquired by GM in 1984, is a major information-services company.

The current year, however, promises lower profit mainly because of falling exports, Mr. Kriwet said.

Thyssen executives said that Thyssen's competitiveness abroad is likely to be eroded this year not only by a weaker dollar but also by price-undercutting from South American and South Korean competitors. Competition within the domestic market is also expected to cause heavy price pressure. As a result, Mr. Kriwet said, he expects both prices and sales this year to drop by 3 percent to 5 percent.

He said that foreign competitors, including numerous beneficiaries of state subsidies, have made inroads into the important U.S. auto industry market, for semiconductors, in which Thyssen has played a dominant role as a foreign supplier for several years.

In the two years that Thyssen Stahl has existed as an independent unit of the diversified Thyssen AG group, the company has been able to allocate 194 million DM to reserves, chiefly the result of capacity-cutting measures that have yielded two years of growing profits after heavy losses. For the current year, Thyssen Stahl plans to invest 676 million DM, down from 767 million in 1984-85.

VW Forecasts Higher Sales, Earnings for Current Year

Reuters
WOLFSBURG, West Germany — Volkswagen AG, West Germany's biggest car and truck group, said Monday that it expects to report higher sales and profits for this year, and sees good prospects for earnings in 1986.

In an interim report, VW said it expects world group sales to rise 15 percent from last year's 45.7 billion Deutsche marks (about \$18 billion at current rates), topping 50 billion for the first time. Parent sales also are expected to increase 15 percent from 33.8 billion DM in 1984, it said.

The automaker gave no specific profit forecast but said it expected worldwide after-tax profit to be above last year's 228 million DM. The company reported nine-month world net of 424 million DM, and analysts said they expect full-year profit to be near 600 million DM.

The report gave no indication of 1985 dividend, which analysts expect to be raised to at least 8 DM from 5 DM last year.

Deliveries, including top-of-the-range Audis, will rise 13 percent this year, to 2.42 million units, the highest level since 1980, VW said.

VW has become the market leader in Western Europe this year for the first time, helped by sustained demand for its second-generation Golf hatchback.

VW said it expects world group vehicle production to rise 12 percent, to 2.4 million units this year, and deliveries to customers to rise 13 percent, to 2.42 million, a level last reached in 1980.

Crown Businesses to Be Sold to Goldsmith, James River

The Associated Press
RICHMOND, Virginia — James River Corp. would acquire majority ownership of the paper business of Crown Zellerbach Corp. and the British financier, Sir James Goldsmith, would retain control of Crown's forest-products and cardboard operations in a buy-out transaction announced Monday.

James River, a James River Pressman, said the paper-manufacturing giant would spend about 1 billion worth of its own stock for a complicated formula to obtain the stock in San Francisco-based Crown Zellerbach.

Sir James, who owns just over 50 percent of Crown Zellerbach's 27 million shares outstanding, would retain controlling interest in three subsidiaries of Crown Zellerbach that would be spun off into separate companies, Mr. Garnett said.

Sir James would acquire at least a 78-percent ownership of the three new companies — Crown's forest-products and cardboard operations and a smaller office-products unit — with any balance owned by Crown shareholders. He also would receive about \$90 million in cash, Mr. Garnett said.

Crown shareholders would be able to tender their stock either to James River or to Sir James. But for the transaction to come off, James River must be tendered at least 90 percent of the Crown shares not already owned by Sir James, Mr. Garnett said.

"Neither the James River exchange offer nor the Crown exchange offer will be consummated unless both are consummated," the companies said.

A "definitive agreement" has been signed and unanimously approved by the boards of directors of both Crown Zellerbach and James River, the companies said.

Mr. Garnett said James River has annual sales of \$2.5 billion, and with the addition of the remaining portion of Crown Zellerbach would have annual sales of about \$4.5 billion. Crown Zellerbach has annual sales of about \$3.1 billion.

Sir James is operating through a subsidiary of his General Oriental Securities Ltd. Partnership.

COMPANY NOTES

Alcoa Chemie BV, a unit of the Dutch chemicals group Alcoa NV, said it considered an \$8.8-million antitrust fine imposed by the executive Commission of the European Community as unwarranted, and was considering an appeal to the European Court of Justice.

Bell, the French state-controlled computer group, said it would offer a one-for-three rights issue to shareholders at par of 30 francs (\$3.89) per share.

Casio Computer Co. will make a one-for-10 bonus stock issue on April 30 for shareholders registered as of March 20.

Deutsche Texaco AG expects profit to improve this year, with better results from the chemical division, the company magazine said.

Fujitsu España SA, a computer sales subsidiary of Fujitsu Ltd., has signed an agreement to merge in April with Secomsa, a data-processing-equipment producing affiliate of Compañía Telefónica Nacional de España SA, a Fujitsu spokesman said.

Guardian Royal Exchange Assurance PLC said it had acquired a 6.65-percent holding in the ordinary shares of Plessey Co., which last week rejected a \$1.18-billion (\$1.75-billion) bid from General Electric Co. of Britain.

Hitachi Ltd. said it would start production of videotape recorders in Anaheim, California, next June. Imperial Chemical Industries PLC's proposed joint venture in vinyl chloride and polyvinyl chloride with a unit of Enichem SpA of Italy will not be referred to the Monopolies and Mergers Commission, the British Department of Trade and Industry announced.

Komatsu Ltd. plans to build hydraulic shovels and other heavy equipment at a plant in New Castle, England, the company said.

Nissan Motor Co. will have to reduce its forecast of results for the year ending March 31 if the yen remains at present high levels, according to Yutaka Kume, the company president.

Pilatus Flugzeugwerke AG, the Swiss aircraft maker, said it won a contract worth 200 million Swiss francs (\$142.3 million) to supply 69 PC-9 training aircraft to the Australian Air Force.

Saab-Scania AB said Swedish aviation authorities had lifted an order grounding all Saab SF-340 commuter planes that was issued Dec. 11 after an incident of in-flight engine failure.

Toyota Motor Corp. will begin negotiations this week on the establishment of a joint-venture assembly plant in Taiwan to produce 60,000 subcompact cars a year, a Taiwan government official said.

THE EUROMARKETS

New Issues Dry Up Ahead of Christmas Break

By Christopher Pizzey
Reuters

LONDON — Most secondary-market areas of the Eurobond market ended virtually unchanged Monday compared with Friday's closing levels. Most operators were not willing to open fresh positions ahead of the Christmas break, dealers said.

New-issue activity also dried up, with only one new bond issue being launched, 250 million Deutsche

marks of capped floating-rate notes for the Union Bank of Finland.

The 10-year note pays 1/4 point over the three-month London interbank offered rate, with a maximum coupon of 8 percent. The lead manager was Deutsche Bank AG.

One dollar-straight trader said that he expected activity on both the primary and secondary markets to remain very thin this week, with dealers more concerned over squar-

ing their positions ahead of the holiday rather than with actively making markets.

He added that prices Monday tended to edge ahead slightly in places, with the market still underpinned by the prospects of a discount-rate reduction in the United States. "There are some issues which are 1/4 or 1/2 point firmer, but you've got to look pretty hard to find them," he said.

CURRENCY MARKETS

Dollar Turns Lower in U.S. Trading

Compiled by Our Staff From Dispatches

NEW YORK — The dollar edged lower in dull U.S. trading Monday after closing generally higher in Europe.

Dealers said that year-end corporate demand had buoyed the currency in the earlier European session, but that U.S. traders bid it lower on renewed speculation of an imminent cut in the Federal Reserve's benchmark discount rate.

"The holiday season has hit the market," one dealer said. "There was a little bit of commercial demand but the big players don't want to get involved right now."

In New York, the dollar fell to 2.5100 Deutsche marks from 2.5230 at Friday's close, to 202.10 yen from 202.75, to 6.7665 French

francs from 7.7175 and to 2.1000 Swiss francs from 2.1080.

The British pound strengthened to \$1.4430 from \$1.4360.

In earlier trading in Europe, the pound advanced in London to close at \$1.4380, up from \$1.4365 on Friday. Dealers said the British currency was supported by high domestic interest rates.

In Europe, dealers said the markets still were concerned about oil prices and their consequent impact on the pound, but the British currency steadied in line with a relatively stable crude oil market.

Dealers said interest in U.S. economic statistics had dwindled. They said the market's feeling was that however good the indicators might be, central bank intervention

by the five leading industrial nations would prevent the dollar from rising above 2.55 DM.

Dealers said many market participants had already taken positions on a cut in the U.S. discount rate, which is believed to be inevitable if not imminent.

In other European markets Monday, the dollar was fixed in Frankfurt at 2.5224 DM, up from 2.5172 DM at the Friday fixing.

In Zurich, the dollar closed at 2.1168 Swiss francs, up from 2.106 on Friday.

The U.S. currency was fixed at 7.7115 French francs in Paris, up from 7.696 francs on Friday.

In Milan, the dollar firmed to 1,720.25 lire from Friday's fix of 1,717.50 lire. (UPI, Reuters)

Royal Oak Perpetual Calendar

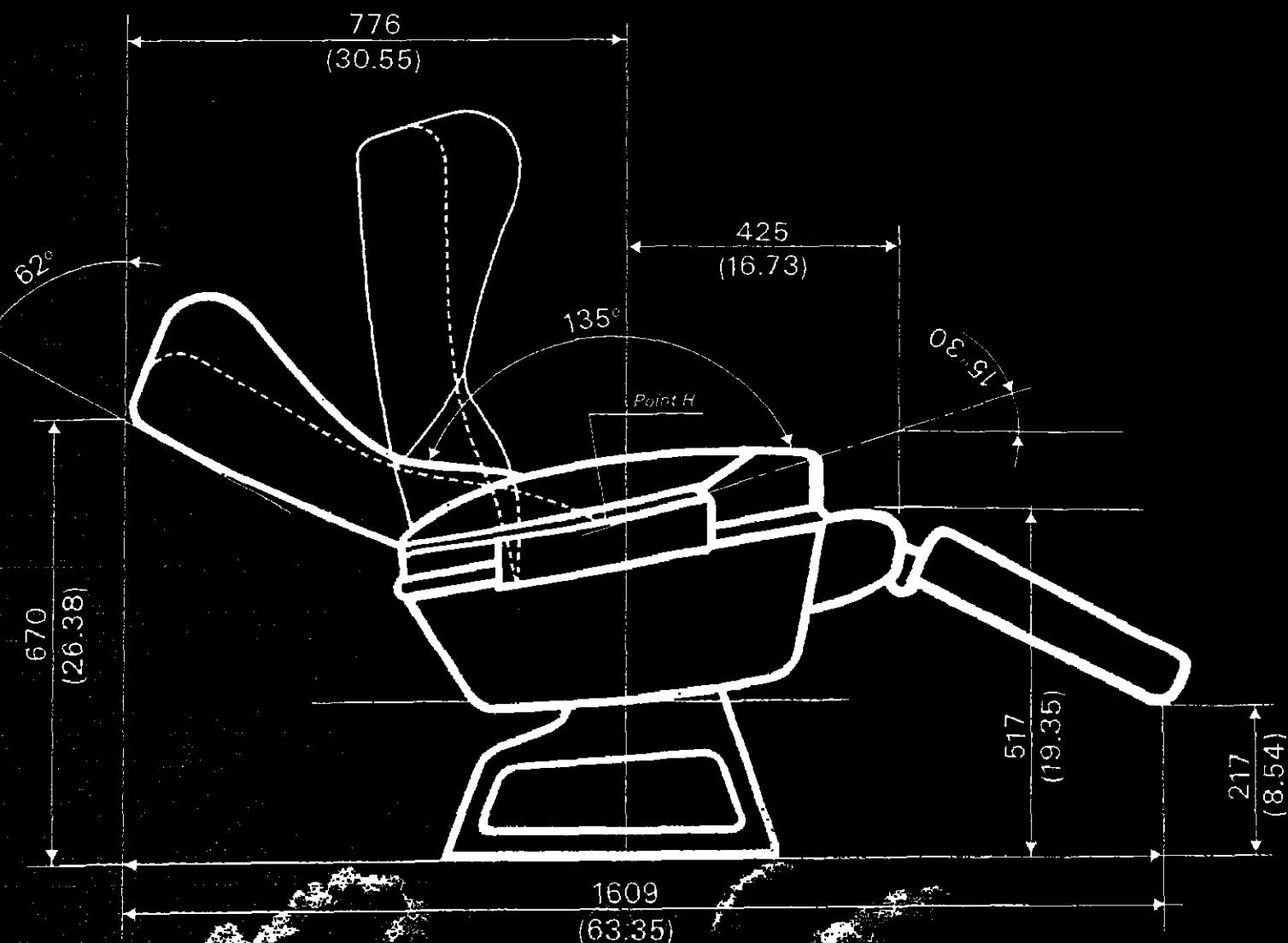


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OUR NEW AIR FRANCE PREMIERE RECLINER: THE MOST-RESEARCHED, THE MOST COMFORTABLE SEAT IN THE AIR. EVERY CONTOUR CALCULATED TO FIT YOUR BODY. COMPLETELY AUTOMATIC ADJUSTMENT. IT RESPONDS FROM HEAD TO FOOT AT THE TOUCH OF A SINGLE BUTTON. SO YOU CAN RELAX IN THE POSITION THAT'S IDEAL FOR YOU. OUR NEW RECLINER. IT'S ALREADY ON MOST AIR FRANCE B 747'S, FIRST CLASS. IT WILL BE ON EVERY ONE BY DECEMBER 25, 1985. JUST ANOTHER EXAMPLE OF THE HIGH LEVEL OF TECHNOLOGY YOU FIND WHEN YOU FLY AIR FRANCE.

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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
In The Associated Press

	Stress	Rel.	Med.	DE	Sis.	High	Low	Close
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Australian Exchanges Agree to Merge in '87

Agence France-Presse

SYDNEY — Australia's six stock exchanges have agreed to merge into a single market known as the Australian Stock Exchange.

The six exchanges would retain their separate trading floors in Sydney, Melbourne, Perth, Hobart, Adelaide and Brisbane under an agreement reached at a weekend meeting here of joint boards, Ron Coppel, executive director of the Australian Australian Stock Exchange said Sunday.

The merged body would start operations April 1, 1987, subject to a 75-percent vote in favor of each stock exchange.

All the assets of the existing exchanges would be pooled on a national basis.

The agreement would end years of bitter rivalry, particularly between the Sydney and Melbourne exchanges, which together account for more than 90 percent of all turnover on the Australian equity markets.

The new exchange would be the world's largest, and the largest in the Southern Hemisphere.

IF YOU GET A KICK OUT OF SOCCER, READ
SOB JOURNALS
 WEDNESDAYS IN THE NYT

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All the assets of the existing exchanges would be pooled on a national basis.

The agreement would end years of often-bitter rivalry, particularly between the Sydney and Melbourne exchanges, which together account for more than 90 percent of all turnover on the Australian equity markets.

The new exchange would be the world's sixth largest, and the largest in the Southern Hemisphere.

IF YOU GET A KICK OUT OF SOCCER
READ
ROB HUGHES
WEDNESDAYS IN THE 1HT

This January, February and March, First Class passengers on our nonstop flights from Tokyo to Singapore will enjoy a menu including Kani no Suimono (crab soup), Ise Ebi Salad (lobster salad) and Nadaman Managatsuo Yakimono (grilled pomfret), prepared to recipes created exclusively for Singapore Airlines by Nadaman of Tokyo. Accompanied, as always, by such pleasant diversions as Dom Perignon, Malosol Caviar and Hennessy X.O., served by our gentle hostesses in their sarong kebayas. **SINGAPORE AIRLINES**



AND
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Europe Balks at 'Locomotive' Role

(Continued from Page 1)

are competitive and let the United States reduce its trade deficit without retreating behind protectionist barriers. It would also make Europe's goods more expensive to American consumers. But to support the yen against the dollar, a key goal of the agreement, the Bank of Japan has had to raise its domestic interest rates, a move that threatens to depress growth next year unless the government takes offsetting stimulative action. But some economists find Japan's reluctance understandable, since it already has a huge government debt.

Meanwhile, European governments also find that their ability to stimulate growth through lower interest rates is limited by fear that it might depress their currencies against the dollar again. "For its part, the Reagan administration is publicly urging West Germany, in particular, to do more to stimulate its economy. Last month, assistant Treasury secretary, David C. Mulford, told Congress that West Germany was failing to live up to the September agreement to cut taxes more this year to stimulate growth and raise the value of the Deutsche mark. Proponents of faster European economic growth contend that the July restrictive economic policies followed by all European govern-

ments since the 1973-80 oil-price shock have made their economies overly dependent on exports for growth and vulnerable to a U.S. slowdown and a fall in the dollar. According to Professor Lester Thurow of the Massachusetts Institute of Technology, "One-third of European growth can be traced to American recovery and the strong dollar, both of which are starting to disappear."

The intrinsic weakness of the European economies is revealed by their low growth of domestic demand, which excludes the effect of foreign trade.

While domestic demand is growing at just under 4 percent in the United States this year and by 3 percent in the industrial world as a whole, it is tumbling along at less than 2 percent in Europe. West German domestic demand is expected to grow only 1.2 percent this year.

As the OECD recently pointed out, a decline in the American appetite for imports, and more competitive American exports, would mean that "European domestic demand growth would need to be faster merely to prevent a growth slowdown from its present rate."

Another argument is that a small coordinated expansion by several countries is likely to prove more potent and less risky than a big push by just one.

In 1978, Western nations at-

tempted the same kind of coordinated action being urged today.

At that year's Western economic summit meeting in Bonn, Japan and West Germany agreed to act as locomotives for the world economy by simultaneously adopting stimulatory measures equal to 1 percent of their total output. Smaller contributions were promised by Britain, France, Italy and Canada.

The governments in Britain, West Germany and Japan now regard that experiment as an unqualified disaster that pushed the industrial world back into inflation, recession and higher unemployment.

But some policy-makers and economists think such an effort would fare much better now. They argue that Europe's earlier attempt to play the locomotive was derailed by the Iranian revolution and the oil-price rise, which forced up world inflation, compelling governments everywhere to stamp on the brakes.

In particular, argues Stephen Morris, a former economic adviser to the OECD now at the Institute for International Economics in Washington, oil prices are now falling, inflation is lower and unemployment higher. Europe's external payments are stronger and the dollar is overvalued, rather than undervalued, as it was under President Jimmy Carter.

Japan Lets 6 Foreign Firms Open Securities Branches

(Continued from Page 1)

TOKYO — Japan will allow six foreign securities firms to open branches in this country beginning next year, a Finance Ministry official said Monday.

The six are DB Capital Market (Asia) Ltd., E.F. Hutton & Co., Schroder Securities (Japan) Co., Cazenove & Co., Paine Webber Inc. and Hoare Govett Far East Ltd., the spokesman said.

A formal announcement is expected later this week, he added.

Deutsche Bank AG of West Germany said earlier that it would reduce its stake in DB Capital Market to 50 percent to conform with Japan's securities and exchange law, which prevents banks here from having both commercial banking and securities operations.

The ministry spokesman said that Hoare Govett Ltd. of Britain has reduced its share in Hoare Govett Far East to 50 percent for the same reason.

The spokesman said, however, that Merchants National Bank & Trust Co. of Indianapolis would not have to reduce its 100-percent share in Schroder Securities because it does not have a banking branch in Japan.

Return of the U.S. Gold Coin

(Continued from Page 1)

manager of the precious-metals division of American National Bank of New York. Continuity is necessary to have the coin regarded as legal tender and not a collector's item, dealers said.

The design of the \$50 one-ounce coin is specified by law. It will feature a design "symbolic of liberty" on the front and a family of eagles on the back. The designs of the other coins will be set by the secretary of the Treasury.

It must be the same every year, not like the Chinese Panda, which changes face periodically, said Richard Lambrecht, special-service

Thailand Will Post Daily Price for Its Tin

By Vithoon Amorn

BANGKOK — Thailand is to begin Tuesday posting a daily tin price, which initially will be the equivalent of 21 Malaysian ringgit per kilogram (\$3.93 per pound), a government official said Monday.

Sivong Chongsakul, an official of the Mineral Resources Department, also said the government had promulgated tariff measures Monday to help Thai mines remain competitive if an expected sharp decline in world tin prices occurs.

Department officials said it was hoped that the posting of daily reference prices would help revive

trading in tin, which was suspended Oct. 24 on the exchanges in London and Kuala Lumpur, Malaysia.

Analysts and traders here have said they expect prices to fall at the resumption of trading. The International Tin Council, whose announcement that it lacked money for price-support operations provoked the suspension, is negotiating with creditors for an agreement that would allow trading to resume.

The Thai officials said the posted price would also act as a benchmark for royalty calculations.

Thailand, which like Malaysia is a leading tin producer, previously

traded most of its tin through the London Metal Exchange but used the Kuala Lumpur price as a reference for royalty calculation.

The minerals department official, Mr. Sivong, said Industry Minister Chirayut Israngkul Na Ayuthaya had signed into law a cabinet decision made last month to cut Thailand's high export royalty on tin and related taxes.

Industry sources said the cuts in export royalty would allow Thai mines, burdened by high production costs, to survive if world prices fall to around 20 to 22 ringgit from over 29, the rate last quoted on the Kuala Lumpur market. That rate was equivalent to London Metal Exchange rates when trading was halted.

Thailand Smelting & Refining Co., which smelts most of Thailand's tin concentrate and exports all its tin metal, said over the weekend that actual traded prices of Thai tin could vary from that being fixed by the government.

The company, a unit of Royal Dutch/Shell Group, said it had invited buyers of the metal to start making daily bids for the quantities of tin and prices they wish to pay.

The company said it expected foreign-bid volumes would be low in the early stages and that more tin concentrate would be offered than the market can absorb. Industry sources said most mines wish to reduce stocks of concentrate to ease their cash-flow problems.

France's State Financial Group Plans To Take Share in Channel Project

(Continued from Page 1)

PARIS — Caisse des Dépôts et Consignations, France's state-controlled financial group, said Monday that it plans to take an important stake in the project to be chosen to provide a fixed link across the Channel.

A Caisse spokesman, Philippe Puyon, said that the group does not plan to participate in the capital of whichever of the four proposed links is eventually chosen by Britain and France. "We have no immediate plans to take a stake in the form of shares," he said.

The group, which has a large bond portfolio, is interested in loan finance and would "take an important part in the subscription of bonds issued by the winner," he said.

The governments of France and Britain are expected to decide in January on one of four proposals for a fixed link across the Channel.

The proposals include roads, rail lines, bridges and tunnels.

The Caisse, which collects deposits from state savings banks, had a 1984 balance sheet of 1.15 trillion French francs (\$149 billion).

Monday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.

Via The Associated Press

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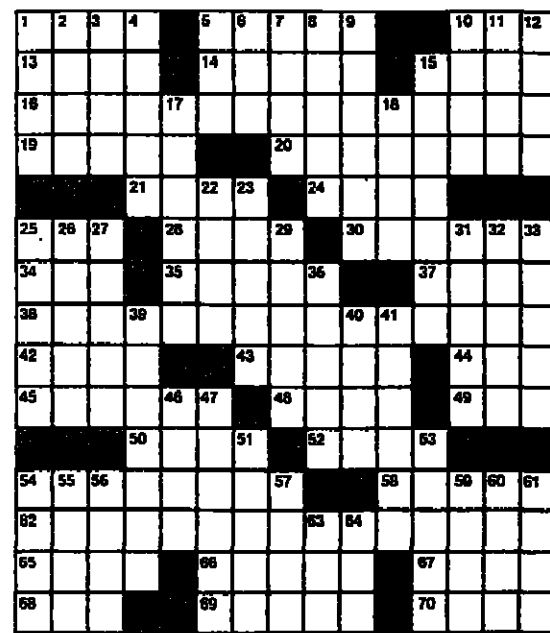
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12 Month		High		Low		3 P.M.		
Stock	Price	High	Low	3 P.M.	Chg	Volume	Open	
22 1/4	15%	Boat	200	14	158	2	274	273 1/2
7 1/4	10%	Boat	16	24	107 1/2	2	62	61 1/2
1 1/4	10%	Boat	1.80	23	114 1/2	2	62	61 1/2
9 3/4	10%	BsmDm				4	3 1/2	3 1/2
30 1/4	14 1/2	BsmDm	45	1.5	47	4	30 1/2	30
1 1/4	10%	BsmDm			150	1	17 1/2	18 1/2
1 1/4	10%	BsmDm	32	12	125	2	2	2
7 1/4	10%	BsmDm			104 1/2			
1 1/4	10%	BsmDm	16	18	28 1/2	3	15 1/2	15 1/2
1 1/4	10%	BsmDm	124	14	63	3	16 1/2	15 1/2
7 1/4	10%	BsmDm	34	1.5	4	1	15 1/2	15 1/2
21	15%	BurrB			262	204	194	204
32 1/4	25%	BurrB	1.04	33	627	2	81 1/2	81 1/2
7 1/4	10%	BurrB						

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ACROSS

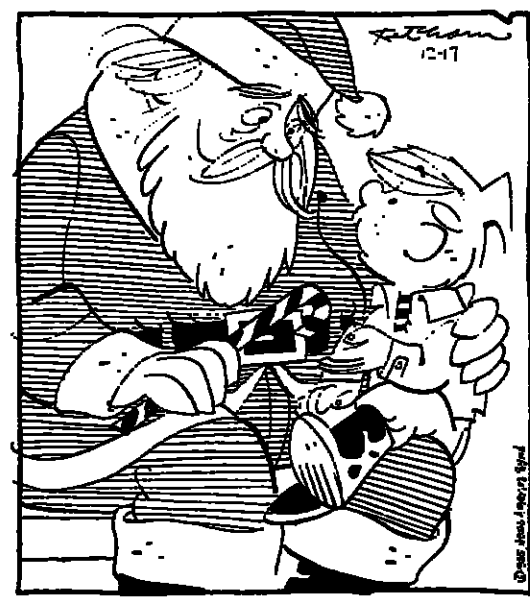
1 Tableland
5 N.H.'s state flower
10 Pop
13 King toppers
14 Sports arena
15 Artist Charles
16 Temporary prexy
19 Khartoum is its capital
20 Explode
21 Scratch
24 Soft drink
25 "Bonjour, mon..."
28 Babylonian deity
30 Quit working
34 Forbid
35 Inclines
37 Periods of time
38 Veep's possible role
42 Cultivate
43 Discover
44 Born
45 Cheap: Slang
48 Eternally, to
50 Juice drinks
52 Hebrew month

DOWN

1 Charts
2 Tannish
3 Pip
4 Very: Mus.
5 Boy
6 Anger
7 Lease
8 Poker
9 Paris, to Helen
10 Information
11 Dill of the
12 Title Christie
13 Mac-a
15 Mac-a
17 Clinton figure
18 Took a cab
22 Bluff
23 Sound of doubt
24 Or disdain
25 In the rear, at sea
26 Parrot
27 Opening monologue, for short
28 Showery month
31 Good-night girl
32 Rajah's mate
33 Chemical compound
36 Bristles
39 Preserves in memory: Var.
40 Earth
41 Nightmares
46 — fix
47 Holy (brat)
51 Partitions
53 Burdened
54 Hairdo for a soul brother
55 Part of speech
56 What Daphne became
57 Colorless; monotonous
58 Soviet river
60 Emulate Mme.
61 Town in Normandy
63 Letter from Athens
64 Gel

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DENNIS THE MENACE



* I'll take whatever you have in stock.

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KANEL

OYLED

LAYDED

HEERIT

Answer here: A

Yesterday's Jumble: FISHY WIPED SECOND HECKLE

Answer: A

Jumble: FISHY WIPED SECOND HECKLE

Answer: A

Jumble: FISHY WIPED SECOND HECKLE

Answer: A

Jumble: FISHY WIPED SECOND HECKLE

Answer: A

Jumble: FISHY WIPED SECOND HECKLE

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Jumble: FISHY WIPED SECOND HECKLE

Answer: A

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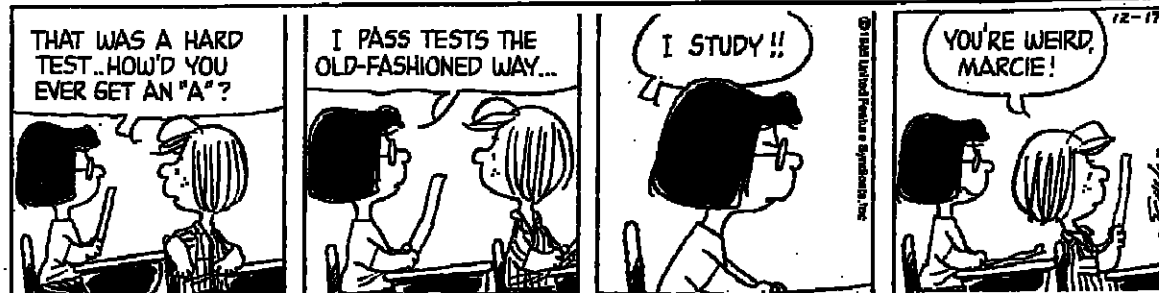
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Answer: A

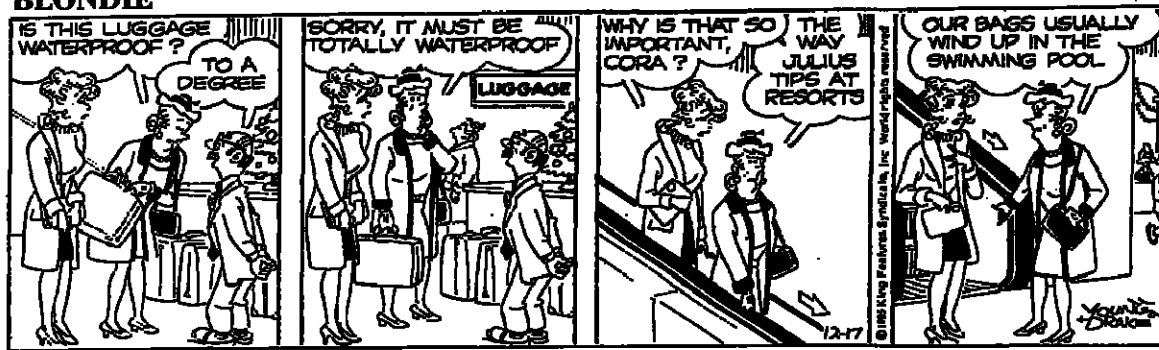
Jumble: FISHY WIPED SECOND HECKLE

Answer: A

PEANUTS



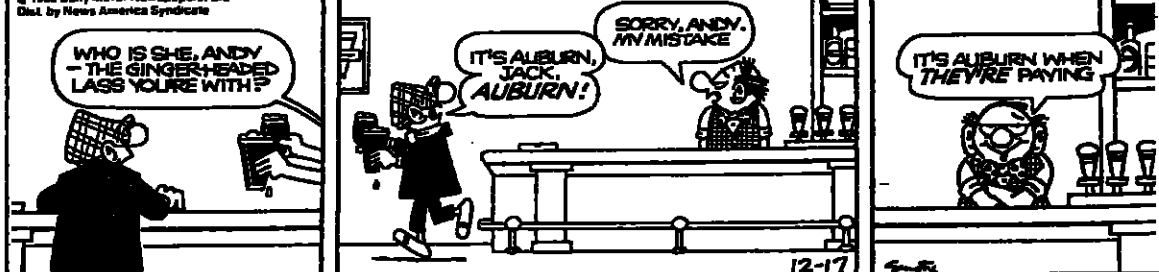
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ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



World Stock Markets

Via Agence France-Press Dec. 16

Closing prices in local currencies unless otherwise indicated.

Market	Index	Change	Market	Index	Change
Amsterdam	225.00	+0.25	London	1110.00	+10.00
Brussels	225.00	+0.25	Paris	1110.00	+10.00
Frankfurt	225.00	+0.25	Stockholm	1110.00	+10.00
Hamburg	225.00	+0.25	Switzerland	1110.00	+10.00
Madrid	225.00	+0.25	Vienna	1110.00	+10.00
Munich	225.00	+0.25	Zurich	1110.00	+10.00
Nairobi	225.00	+0.25			
Rangoon	225.00	+0.25			
Singapore	225.00	+0.25			
Tokyo	225.00	+0.25			
Yokohama	225.00	+0.25			

BOOKS

POLAND UNDER BLACK LIGHT

By Janusz Anderman. Translated by Nina Taylor and Andrew Short. 131 pages. Readers International, 8 Strathway Gardens, London NW3 4AY.

Reviewed by Walter Goodman

"WHEN did it happen? Could it have been in this country? When?" It happened in Poland in December 1981, when, as Janusz Anderman describes the imposition of martial law, the police, party and army made war on the Polish people. What that meant is the theme of "Poland Under Black Light," his book of grim and gritty vignettes from a crushed society.

Anderman is a 35-year-old writer who has been getting into trouble over his work since his student days in Krakow. He was imprisoned after the declaration of martial law. He now lives in Warsaw. This novel, his first to appear in English, is published by Readers International, a London house specializing in books banned in their country of origin.

Like other dissident writers in the Soviet bloc, Anderman resorts to a kind of surrealism to capture the realities of life for someone like himself, or the writer who moves like a shadow through these pages, people who will not, cannot play by the official rules. He speaks for those who have been declared dangerous to the

state: "They were made prisoners before being told that war had broken out. Prisoners were taken first in this war, and war was declared afterwards."

The prose is not elegant; it has the pounding cadences of delirium, obsessive and ominous. Yet these intensely private visions of prisons, hospitals, streets where it is always bitter cold or scorching hot, carry powerful political resonance. There are spies everywhere. "This conversation is being monitored" is a refrain.

Many of the episodes are the stuff of nightmare. A prisoner is summoned from his cell by a secret policeman, who turns out to be his father. A taxi driver enters a police station, demanding to know what happened to his passenger, who has never emerged from the building; the meter continues to run like a memory of freedom.

Everyone in these pages is a prisoner or a guard, and the guards, of course, are prisoners, too. Just as the political detainees endlessly circle their prison yards, so outside, Poles go about their daily rounds under the eyes of omnipresent police, who are walking tightly regulated circles of their own.

Anderman is not given to subtlety, and now and then he resorts to standard descriptions: "The millions prove the neighborhood, less insistent into faces, check papers, rummage through handbags." But at his more imaginative, he finds an ordinary item, like a drinking mug in a prison, to symbolize the servitude of his country: "The mug stands on the windowsill, its pale whiteness blurred against the shroud over the grating; the mug is covered all over in designs and tattoos; it has been retrieved from numerous mouths, and the date stamp tells that it has been thirty-one years in service. The sides are lined with lettering, naked women, dates, article and paragraph numbers that have broken the successive years."

Censors not only silence; they also force feed. The writer who is forbidden to write listens to the one station he can get on the radio. A children's song comes out at him: "The night shines through all the sky. Through all our land so fair. Our land demands your loyalty. You are her own true heir."

There is no sunlight in these pages, except perhaps in the existence of the book itself and its testimony to the author's defiance.

Walter Goodman is on the staff of The New York Times.

CHESS

By Robert Byrne

IN the game between the Pasadena grandmaster Larry Christiansen and the Beverly Hills international master Kamen Shirazi, the advance with 4... P-K5 is dubious, although this pawn is in no real danger of going lost. After 5 N-Q2, B-N3; 6 N-Q2, B-N3; 7 N-Q2, B-N3; 8 N-Q2, B-N3; 9 P-Q2, B-N3; 10 B-Q2, B-N3; 11 K-B2, Q-R2, which gives Black a clear advantage.

The real trouble was that after 6 P-K3, P-KN3; 7 B-K2, P-KR4; 8 P-B3, Black was forced to abandon his grip in the center with 8... P-Q2. 9 B-P and let White proceed to a powerful build-up with 11 P-K4.

After 12 N-N3, Shirazi could not well play 12... 0-0 and permit a strong pin with 13 B-N5. But after 12... N-KN5; 13 N-Q5, what was he supposed to castle on?

White 15... N-KN6; 16 B-PN eliminated a strong white piece, it also opened the QB file for White to use for attack. Now, 16... 0-0; 17 P-R3, N-R3; 18 Q-Q2, K-R2; 19 N-Q2, B-N3, which ends all resistance.

However, this failed to fluster Christiansen, who sprang to the attack with 18 P-K5!

One point was that Shirazi's 29 R-R4! was annihilated. Thus, 29... P-N7; 30 Q-

the black position disheveled. Thus, 19... P-K5; 20 N-Q2, B-N3; 21 K-R1, P-KB3; 22 B-R1, P-KB3; 23 P-KB3, P-R3; 24 P-R3, P-R3; 25 P-R3, P-R3; 26 P-R3, P-R3; 27 P-R3, P-R3; 28 P-R3, P-R3; 29 P-R3, P-R3; 30 P-R3, P-R3; 31 P-R3, P-R3; 32 P-R3, P-R3; 33 P-R3, P-R3; 34 P-R3, P-R3; 35 P-R3, P-R3; 36 P-R3, P-R3; 37 P-R3, P-R3; 38 P-R3, P-R3; 39 P-R3, P-R3; 40 P-R3, P-R3; 41 P-R3, P-R3; 42 P-R3, P-R3; 43 P-R3, P-R3; 44 P-R3, P-R3; 45 P-R3, P-R3; 46 P-R3, P-R3; 47 P-R3, P-R3; 48 P-R3, P-R3; 49 P-R3, P-R3; 50 P-R3, P-R3; 51 P-R3, P-R3; 52 P-R3, P-R3; 53 P-R3, P-R3; 54 P-R3, P-R3; 55 P-R3, P-R3; 56 P-R3, P-R3; 57 P-R3, P-R3; 58 P-R3, P-R3; 59 P-R3, P-R3; 60 P-R3, P-R3; 61 P-R3, P-R3; 62 P-R3, P-R3; 63 P-R3, P-R3; 64 P-R3, P-R3; 65 P-R3, P-R3; 66 P-R3, P-R3; 67 P-R3, P-R3; 68 P-R3, P-R3; 69 P-R3, P-R3; 70 P-R3, P-R3; 71 P-R3, P-R3; 72 P-R3, P-R3; 73 P-R3, P-R3; 74 P-R3, P-R3; 75 P-R3, P-R3; 76 P-R3, P-R3; 77 P-R3, P-R3; 78 P-R3, P-R3; 79 P-R3, P-R3; 80 P-R3, P-R3; 81 P-R3, P-R3; 82 P-R3, P-R3; 83 P-R3, P-R3; 84 P-R3, P-R3; 85 P-R3, P-R3; 86 P-R3, P-R3; 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SPORTS

England, Poland Feel the Heat from World Cup Soccer Draw

By Eloy O. Aguilar

EXICO CITY—England and Poland, sent to the hot and low sun city of Monterrey, came after the draw Sunday that placed them in the 1986 World Cup but most other teams ap-
 drew also determined that Germany probably is in the preliminary group, that Mexico is in the easiest and defending champion Italy will be in Mexico City's giant stadium on May 31 in the first of 36 first-round games held in nine Mexican cities.
 Monterrey, 588 miles (952 kilo-
 meters) north of the capital, is low-
 er than the eight other
 Most of the 24 national
 teams all the nations' rep-
 resentatives were at the draw, held in
 studio and watched by
 estimated 2 billion people
 around the world.
 Poland's Waldemar Kra-
 and England's Bobby Rob-
 son, the English coach Bobby Rob-
 son, complained to reporters and
 said, "I am not happy. The
 Paraguayan delegate, said
 he did not understand what all
 the fuss was about.
 'Paraguay would have just loved

to be in Monterrey. We love the
 heat. Paraguay is very hot in the
 summer, and the changes in alti-
 tude 'don't bother us one bit,' Pal-
 lares said.
 "I believe that all the teams that
 will have to play in Monterrey are
 going to have greater difficulty in
 winning the cup," Robson said.
 "However, in terms of teams, I am
 glad to get Monterrey anyway be-
 cause Group E would have been
 extremely difficult."
 Charlton said the English team
 will "have to go into intense prepa-
 rations for this round. Poland is a
 very strong team. I do not know, I
 just do not know. It is going to be
 very tough and very difficult."
 Krajewski said his team is "going
 to have an extremely hard time."
 The Polish news agency PAP ear-
 lier in the week had described Mon-
 terrey as "the hell of Mexico."
 To the West German coach,
 Franz Beckenbauer, whose team
 heads Group E, Queretaro was just
 fine, but he added: "What a bunch
 of teams we will have to compete
 against!"
 "It will be tough, very, very
 tough to compete against some of
 the strongest teams in South Amer-
 ica and in Europe," Beckenbauer
 said after the draw put Uruguay,
 Scotland and Denmark in Group
 E, headed by West Germany.
 Asked what the toughest teams
 will be, Beckenbauer said, "Ur-
 guay....," adding that West Ger-
 many "will need a lot of luck to
 survive in this one."

This was the draw:
 • Group A, based in Puebla, has
 Italy, Bulgaria, Argentina and
 South Korea. Games in this group
 also will be played at Mexico City.
 • Group B, based in Mexico
 City, has Mexico, Belgium, Para-
 guay and Iraq. Games also will be
 played at Toluca.
 • Group C, based in Leon, has
 France, Canada, the Soviet Union
 and Hungary. Games also will be
 played at Toluca.
 • Group D, in Guadalajara, has
 Brazil, Spain, Algeria and North-
 ern Ireland.
 • Group E, based in Queretaro,
 has West Germany, Uruguay, Scot-
 land and Denmark. Games also
 will be played at Nezahualcoyotl.
 • Group F, in Monterrey, has
 Poland, Morocco, Portugal and
 England.

England's was the last name to
 be pulled in the draw.
 The first two teams from each
 group and the four best third-place
 teams will advance beyond the first
 round, which has each group play-
 ing a round-robin.
 Defending champion Italy
 would seem to have its toughest
 opposition in Argentina, another
 former champion, in Group A.
 The draw was held under tight
 security in one of the large studios
 of the private national television
 network Televisa in the San Angel
 neighborhood of southern Mexico
 City.

It had been scheduled for the
 ornate Fine Arts Palace downtown,
 but was changed at the last minute
 following a series of protests by
 Mexican intellectuals, who com-
 plained that a sports-related event
 would "contaminate" the building
 traditionally used for opera, ballet
 and other arts performances.
 The original location, the auditor-
 ium of the National Medical Cen-
 ter, could not be used because of
 the destruction wrought by the
 Sept. 19 earthquake that killed at
 least 7,000 people and damaged or
 destroyed about 3,000 buildings.

Asked what the toughest teams
 will be, Beckenbauer said, "Ur-
 guay....," adding that West Ger-
 many "will need a lot of luck to
 survive in this one."

SCOREBOARD

Football

I Standings

AMERICAN CONFERENCE					
	East				
	W	L	T	Pct.	Pts.
England	10	4	0	.714	20
Poland	10	4	0	.714	20
Italy	10	5	0	.667	20
Argentina	4	11	0	.267	8
South Korea	2	13	0	.133	4
Central					

ART BUCHWALD

Thanks for the Memories

WASHINGTON — The hit number of last week's Kennedy Center Honors show was a rousing tribute to Bob Hope. American veterans from past wars came on stage, identified where they had seen Hope entertain, saluted and said, "Thanks for the memories."

It is almost impossible to be served in any U.S. conflict since Pearl Harbor without having seen Bob Hope.

My memory goes back to 1944. I was stationed on a piece of coral in the Marshall Islands with 3,000 marines, soldiers and Seabees (which, for those of you too young to remember, was the name coined for the initial force for construction battalions). We were in charge of guarding empty sea lanes for a war that had passed us by. We lived in tents, played volleyball, produced homemade rain whisky and made souvenirs of Japanese flags, which we sold to sailors on navy ships anchored in the lagoon.

The important thing to remember is that our tent had no floor. This made it quite muddy during the rainy season, which made our toes go squish, squish in the night.

With the rainy season approaching, we decided to take action and get ourselves a wooden floor. The question was how to do it. Cooper said the Seabees had plywood stashed away on the western side of the island. Brinkerhoff said the army always left their truck keys in the ignition. Farhart reported he could "borrow" all the tools we needed from the air force armory.

The rest of us became part of a commando group whose mission was to capture the plywood without the Seabees being any the wiser.

The operation was a success and by dawn the wood was stashed in our tent. The next step was to get the floor built before the Seabees discovered the theft.

First we leveled the ground and laid out the foundation with two-by-fours (also stolen). This took us the better part of the morning. We whistled while we worked until Schulman rushed in and yelled,

"Bob Hope is on the island with his show!" Half my tentmates dropped their tools and started to change clothes. "Hey, guys, we have to get the floor done," I said.

"They say he brought five show-girls," Schulman said.

The other half dropped their tools.

"Hold it," I said. "If we don't get this floor laid the navy MPs will find the wood and we'll not only lose it but be chopping rocks in the bog."

Carroll said, "We've been deprived of everything that is good about America. Don't make us give up Bob Hope too."

I told them, "This is a gift from heaven. We can install the whole thing while Hope is performing. Please, guys, you can see Bob Hope and showgirls any day of the week. But how often can you get a brand-new plywood floor?"

Cooper said, "I'm going to the show."

Farhart nodded. "My mother would never forgive me if I didn't go."

Brinkerhoff said, "We owe it to all the people who have made the USO what it is today."

I didn't want to do it but I had no choice. Somebody had to stand in front of the tent, raised my fists and said, "Anyone who wants to go to the Bob Hope show has to fight me first."

Cooper shrugged his shoulders and hit me in the stomach. While I was on one knee Brinkerhoff got me in the jaw. Schulman sent a roundhouse to the ribs, and Farhart tried to see which eye he could close first. Then Cooper started to play soccer with my groin.

In one way or another they all made their point and there was nothing for me to do but fold up my tent and follow my "buddies" to the show.

We came back three hours later, our morale soaring and our faith in American women restored. It only took us until midnight to lay the floor. It was a day I will always remember. So, Bob, even though my groin still hurts, thanks for the memories.



Buchwald

The Film Days Of Baryshnikov

By Alan M. Kriegsmann

Washington Post Service

NEW YORK — Mikhail Baryshnikov lounges in a desk chair, dressed in a polo shirt, jeans and boots. The clothes suit the setting, a large cluttered room in a warehouse on lower Broadway. It is his office — the office of the artistic director of the American Ballet Theatre. Posters, photographs, a Coteau drawing of Stravinsky adorn the walls.

Baryshnikov was talking about his new movie, "White Nights." "I had reservations from the start about the story line, which I don't find very convincing," he said. "But what do I know about it?"

In fact, the film draws an obvious parallel with Baryshnikov's story. He plays a Soviet ballet dancer who defected to the West some years before. When his Tokyo-bound plane makes a crash landing in Siberia, he is held by the KGB and introduced to Raymond Greenwald (Gregory Hines), an American tap dancer who defected to Russia in protest over the Vietnam War. It's a cliff-hanger as the two attempt to flee.

Most reviews of "White Nights" so far, lukewarm or cool, or on the movie itself, rave about Baryshnikov. Still, making the picture was a personal ordeal. There had been grumbling in the dance world that he was giving up the ballet stage and putting aside his responsibilities as ABT director to make the movie.

"I grew up a lot on this film," said Baryshnikov, 37. "It's opened my eyes in many respects to my past and to my future. This was not for me a trial balloon, it was not something to see if I can be a movie star. It was an escape from reality, from difficulties in my life."

A longtime cigarette addict, he quit smoking last February after "a lot of hard moments in my life. One night, I got scared. It was a night of depression. I felt terrible. I looked terrible. I said to myself, 'Why are you giving yourself this self-punishment? You don't punish yourself enough all the time with everything else, why do you

need this extra? Time, after all, is punishing us. So I stopped."

Baryshnikov acknowledged that, though "I thought it would be much worse," shooting the film did recall painful moments from his career with Leningrad's Kirov Ballet and his defection to the West in 1974.

"But the truth is, I have passed through that period of my life," he added. "The weight of my life now is here, in this country. I've put roots down here, my consciousness has changed. I think in a different way. My life is here. My daughter is here."

Baryshnikov's daughter, Shura, whose mother is the actress Jessica Lange, will be 5 in March.

He shuffled through papers and produced a photo of Shura, blond, clutching a teddy bear and leaning against her father. Does he see Shura, who lives with her mother, as often as he'd like?

"No," he said. "I'd like to see her all the time." Then he brightened. "Right now I'm seeing a lot of her, every week. They are here now" — Lange and her companion, the actor and playwright Sam Shepard.

Baryshnikov had mixed feelings about his performance in "White Nights." "But you have to start by understanding that I am a skeptic to begin with — not just about my acting in this movie, but about theater, ballet, about everything. There have been very few times in my life that I've been shaken by what I'm doing, that I've felt I gave a truly powerful performance. For a lot of people it may have been terrific. But in 20 years on the stage I think I did maybe 10 or 15 good performances."

He has less ambivalent feelings about movie-making. "One thing about this film is that it made me want to do another film. I know now, from doing this one, what I can do, and I know that I can do it. And working with these people, with all the hardships involved and the complicated relationships, I respect this industry very much."

After his first movie appearance, in 1977's "The Turning



John McDermott/The Washington Post

"I respect this industry very, very much."

Point," Baryshnikov had numerous film offers, he said. "Thank God I didn't do them." He added, without elaborating, "But if he had a director say to me, 'I want you to do a film without dance — you're right for the part.'"

One of the most compelling scenes in "White Nights" has him dancing an impassioned, spectacular solo on the Kirov stage as he reflects on his career before his flight. The dance borrows motifs from Russian folk dance. The music is "The Horsemans," written and sung by Vladimir Vostok, a Soviet dissident who died in 1980.

"He was known as the Russian bard," Baryshnikov said. "He was more popular in Russia than Presley is here. Even though it was

sort of underground, his records and tapes were in every house; people sang his songs in the schools, the army, the factories, the government, too. He wrote songs about all sides of Russian life, but because they had political overtones he never got any official recognition. On the other hand, he was a shrewd man, and he was never sent to a prison. I knew him very well. He was a tragic figure, a very good man, but full of pain, for his friends, for himself, for his country. I suggested he write his music for this scene, and he choreographed it."

Baryshnikov said Jerzy Skolimowski's portrayal of the film's debonair but sinister KGB colonel corresponded to the real KGB. "They're very much like

that. They're very well educated, they know the Western world, they've all finished a university and many have spent time in diplomatic jobs. Some of them — the stupid ones — are truly confused, and believe they're actually doing good for their country. Some are cynical, and do it for the power, the career, the security. And there are some who just love it."

Baryshnikov's favorite scene in the film was when Hines beat him 11 rubles that he could not do 11 pirouettes in a row (most dancers are happy to reach half that number) and he whips them off as if he could manage two dozen without blinking.

"In old days I used to do 15, 16," he said, "and I did 13 or 14 in rehearsal. I thought it would be nice to do 15 for the picture, but in the end it didn't look very convincing."

Usually, though, he makes a habit of self-deprecation, forever putting down his idiosyncratic English, his fluent piano playing, his baller (all box-office bonuses) and, not infrequently, his dancing.

Looking back at the ground he has covered — 10 years with the Kirov, medals at Varna and Moscow, an epoch-making decade of dancing in the West, a two-year stint with Balanchine's New York City Ballet, five years as director of ABT, touring with his small Baryshnikov and Company summer troupe, producing three ballets, publishing the book "Baryshnikov as We Were" in 1976, and making television specials, "The Turning Point" and now "White Nights" — it is apparent that he is approaching another crossroads.

He has said repeatedly that his dancing days are numbered. He is still recuperating from last August's knee surgery. But not long after he described the kind of movie he would like to make next, the conversation took a sudden U-turn.

"Maybe I won't do any more films. Maybe I'll just start to dance again. You have to pay a certain price to be a dancer. It's not like an actor, who does a job, goes to Hawaii to rest and waits for his agent to call him. But I have to dance. I must dance, as long as I'm still intrigued by live theater, by the terrific *verité* of it. There's nothing like that, not even the movies. Lenin said, 'Movies are the first art of the new generation.' But live performance on the stage is not replaceable, not ever, not by anything."

PEOPLE

Elephant Polo Tourny Attracts Celebrity Team

The Tiger Tops Tuskers compete in a goal during overtime to lead to victory as 10 teams locked tusk in the 1985 World Elephant Polo championship in Mustang, Nepal. The tournament included a celebrity-laden team from the elder Carier, including the former Beatles drummer, Ringo Starr, his wife, the actress Barbara Bach, and Carier's president, Asha Parit. The sport bears some resemblance to the game played with ponies, but the field is shorter because elephants can't gallop. The player is tied into the saddle and the size of his mallet depends on the size of his mount. Elephant polo was first played in 1982 by Jim Edwards of Hampshire, England, chairman of the Tiger Tops resort in Mustang, and James Mansack of Highland, Scotland.

A tuba tune can be a thing of beauty, lovers of the instrument insist, and 300 tuba players are packing at one time in a crowd even in New York. Thousands of shoppers and sightseers jammed Rockefeller Plaza to watch the annual Tuba Christmas concert, an event conceived in 1974 and conducted by Harvey Phillips, professor of music and tuba missionary at Indiana University.

Sylvester Stallone, 39, of "Rocky" and "Rambo" fame, has married Brigitte Nielsen, 22, the 6-foot-tall (1.83-meter) Danish model and actress he has lived with for some months. The ceremony was at the mansion of "Rocky's" co-producer, Irwin Winkler, in Beverly Hills, California. Nielsen, a daughter of Diana de Württemberg, cast her in the title role of "Red Sonja," with Arnold Schwarzenegger — sent a fan letter and photo to Stallone at about the time of his divorce from his first wife, Sasha earlier this year. He was impressed, and shortly thereafter she moved into his home in California. She plays the wife of Stallone's Russian opponent in "Rocky IV." The singer James Taylor, whose hits include "Fire and Rain," has married the actress Kathryn Walker at the Cathedral of St. John the Divine in New York. Walker appeared in Broadway's "Private Lives" in 1983 and has had several television roles. Taylor's first wife was the singer Carly Simon.

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Progress in SDI Research: The Concept vs. the Reality

By Leslie H. Gelb
New York Times Service
WASHINGTON — More than a half century after President Dwight D. Eisenhower's 1955 speech in which he first broached the idea of space-based defenses, many administration experts and critics remain uncertain about the feasibility of such a defense for clear strategy and arms control. Almost all in the government are going along with the program, as a result, it has moved forward significantly in the past six months.

The prevailing view now is that it will become harder and harder to get back to even the U.S. officials and legislators acknowledge that there is a deep confusion about the purpose and consequences of the Strategic Defense Initiative, as the proposed system is formally known.

Despite the gathering momentum, key U.S. officials say the program has not reached the point of "no return." They say they are waiting for the opportunity to get the president to authorize measures that will take it even further before he leaves office in 1989, so his successor will be more or less compelled to forge ahead.

A Long, Steep Decline Is Predicted for Dollar

By Hobart Rowen
Washington Post Service
WASHINGTON — A grim forecast that the U.S. dollar is headed for a sustained, dramatic decline, creating a recession in the United States and causing severe problems elsewhere in the world, was made here Tuesday by an authoritative economist at the Institute for International Economics.

The economist, Stephen Marris, said in a report that the dollar's recent slide would gather momentum and be transformed into a "managed float" of currencies, with the dollar, the yen, and the Deutsche mark linked by the U.S. Federal Reserve, the Bank of Japan and West Germany's Bundesbank.

In Mr. Marris's scenario, the dollar would plunge in the next three years by 42 percent from the levels prevailing before Sept. 22, and by 53 percent from early December. The result would be a doubling of the rate of inflation and would lead to higher interest rates and a severe recession in the United States, Mr. Marris told reporters.

By the first quarter of 1989, the dollar would be worth about 10 percent of its current value.

Uganda Signs Peace Pact With Rebels

By Blaine Harden
Washington Post Service
NAIROBI — After nearly four months of fighting in Uganda and negotiating in Kenya, the Ugandan government signed a peace agreement here Tuesday with the rebel National Resistance Army, ending the guerrilla group's equal share in running the country.

The agreement calls for an immediate cease-fire and disarming combatants in the civil war that broke out after a coup in July toppled the government of President Milton Obote.

It also calls for the prosecution of all Ugandans guilty of past human rights violations, the release of political prisoners and an eventual return to civilian rule.

In the fighting, which precipitated the near collapse of the Ugandan economy and plunged much of the nation into anarchy, the 10,000-member National Resistance Army soundly defeated ill-disciplined government troops in a series of battles and had taken control of a third of the country.

The National Resistance Army has seven seats on the 20-member Military Council, and the government will have eight, including the chairmanship.

A guerrilla leader, Yoweri Museveni, was named vice chairman of the council.

The other five seats will go to other guerrilla factions that supported the government after the coup.

The National Resistance Army was guaranteed equal power in commanding the country's armed forces. The new army will consist of 8,480 men — 3,700 current army troops, 3,580 guerrillas from the National Resistance Army and 400 men from each of the other three groups.

Under the agreement, all armed troops are to withdraw immediately from Kampala, a city that has been heavily damaged in the past four months by fighting, looting and random murder.

An "observer monitor force" is to come to Uganda to supervise the implementation of the agreement. The countries mentioned as contributing to the force were Kenya, Tanzania, Britain and Canada.

President Daniel arap Moi of Kenya, who chaired the lengthy peace negotiations, hailed the agreement in a formal signing ceremony as the "dawning of a new era of peace in Uganda."

He said it offered the country a chance to begin a new life.



Yoweri Museveni, left, and Tito Okello making peace.



Mourning the Victims of Canadian Crash
President Ronald Reagan comforts the wife of a soldier killed in the crash of a DC-8 in Newfoundland at a service in Fort Campbell, Kentucky. Investigators are focusing attention on the possibility that a reversal of power in one engine caused the crash, in which 256 people died. Page 3.

Angry Shultz Tells Belgrade Official Nothing Justifies Achille Lauro Killing

By John M. Goshko
Washington Post Service
BELGRADE — Secretary of State George P. Shultz, pounding a table in anger, told Yugoslavia's foreign minister publicly on Tuesday that the hijacking of the Achille Lauro cruise ship resulted in a terrorist murder that was "not justified by any cause that I know of."

Mr. Shultz's outburst occurred at a joint news conference after the minister, Rado Dizdarevic, said that Yugoslavia distinguished between terrorism and "the struggle against colonialism, against aggression and racism." He added, "when speaking of terrorism, one must also view the causes that lead to it."

Mr. Dizdarevic also said that Yugoslavia regarded the Palestine Liberation Organization as "the legitimate representative of the Palestinian people" and said that his government had nothing further to say about its refusal to arrest Mohammed Abbas, the alleged mastermind of the hijacking in which an elderly American, Leon Klinghoffer, was murdered.

Immediately after his comment, Mr. Shultz changed the tone of what had been a placid news conference filled largely with references to Yugoslav-American friendship by interjecting:

"The hijacking of the Italian ship, murdering an American, torturing and holding a whole bunch of other Americans, is not justified by any cause that I know of. There's no connection with any cause."

Pounding his fist on the table, he said in a rising voice: "It's wrong, and the international community must step up to this problem and deal with it unequivocally, firmly and definitively. There must be no place to hide for people who do that kind of thing."

He then turned to Mr. Dizdarevic and said: "And you probably feel the same way."

The Yugoslav replied that his government had condemned the Achille Lauro piracy. But he also insisted that "the acts of individual Palestinians should not be confused with the policy of the P.L.O."

He added, "Obviously, we disagree on this matter."

Reputed Mafia Leader Gunned Down in N.Y.

By Robert D. McFadden
New York Times Service
NEW YORK — Paul C. Castellano, the reputed leader of the largest and most powerful American crime organization, and an underworld associate have been shot to death by three assassins on a busy street on Manhattan's East Side.

As Mr. Castellano and his associate, Thomas Bilotti, stepped out of a limousine on 46th Street near Third Avenue shortly before 5:30 P.M. Monday, the police said, the three men approached, drew semiautomatic weapons from under their trenchcoats and opened fire.

Mr. Castellano and Mr. Bilotti were each shot about six times in the head and upper body and fell dead beside the open doors of their black Lincoln limousine.

After the shooting, witnesses said, the gunmen fled on foot and jumped into a waiting car that sped away, leaving behind a grisly tableau.

The slaying was viewed by high-ranking law enforcement officials as the start of a struggle for control of the Gambino faction of organized crime in New York. Mr. Castellano reputedly led that faction.

"It could be the beginning of a major mob war," said Edward McDonald, the head of the Organized Crime Strike Force of the U.S. Justice Department in eastern New York state.

Other law enforcement officials said that the death of the reputed No. 2 leader of the Gambino group, Aniello Dellacroce, may have set the stage for Mr. Castellano's slaying. Mr. Dellacroce died Dec. 2 at the age of 71. He had been under treatment for cancer.

Mr. Castellano was said to have headed the Gambino group, the largest criminal organization in the United States, since the death of his brother-in-law, Carlo Gambino, in 1976. He acquired the leadership in a bloodless contest with Mr. Dellacroce, who accepted the secondary position in the group, law enforcement officials say.

Federal prosecutors and agents (Continued on Page 7, Col. 1)



Paul C. Castellano

Reagan's Appeal Gains New Vote On Tax Package

By Jim Luther
The Associated Press
WASHINGTON — The U.S. House of Representatives, reversing a stunning setback it dealt President Ronald Reagan last week, responded to a personal plea from the president Tuesday and agreed to consider his tax-reform initiative.

The House voted 258-168 to approve a procedural resolution to allow for consideration of the bill, the first step toward final approval.

Mr. Reagan considers tax reform the top item on his legislative agenda.

Last week, only 14 House Republicans gave their assent in a similar procedural vote. This time, 70 Republicans in the House joined 188 Democrats in siding with the president. Fifty-eight Democrats and 110 Republicans voted to let tax overhaul die.

The measure still faced more votes Tuesday, including a Republican amendment to the bill and a final vote on whether to pass the bill itself and send it to the Senate.

The lopsided vote Tuesday indicated the bill might pass in the House, but it did not guarantee it.

The House speaker, Thomas P. O'Neill Jr., a Massachusetts Democrat, said in pleading for the bill: "The American people have lost confidence in the fairness and the integrity of our tax laws."

"In my 33 years in Congress," he added, "we have never come this close" to reform.

The minority leader, Robert H. Michel of Illinois, reminded fellow Republicans of how many times they had complained that they were not being allowed to debate an issue.

"This is one of those times, especially when our president has appealed" for a chance to keep the tax initiative alive, he said.

However, Mr. Michel said he could not vote for the bill on the ground it would damage the economy of his district, a position taken by many of his colleagues.

His Democratic counterpart, Jim Wright of Texas, the majority leader, also opposed the measure, which would significantly increase taxes on the oil industry.

■ Reagan Visits Capitol Hill
Earlier, David E. Rosenbaum of The New York Times reported: The turnaround came after Mr. Reagan visited Capitol Hill on Monday night and made an extraordinary personal appeal to Republican lawmakers.

Administration officials and Republican leaders later said he had won enough votes to assure passage of the tax legislation in the House.

Lawmakers said Mr. Reagan promised he would veto the tax bill if substantial changes were not made by the Senate.

As a condition for the Republicans' support, Mr. Reagan agreed to send Congress a letter promising to veto any tax measure that did not contain certain elements.

The Republicans also wanted a promise from the Democrats that a vote would be permitted on the House floor on a resolution saying that restrictions on business tax preferences would not go into effect until the beginning of 1987.

Mr. Reagan's aides said he had picked up 50 Republican votes, enough to pass the tax bill before Congress adjourns this week if Democratic lawmakers remain solidly behind the president.

Lobbyists opposed to the bill worked feverishly all week to weaken Democratic support.

Among the items Mr. Reagan said he would insist on in any tax bill he signed, according to Republican legislators, were a top individual income tax rate no higher than 35 percent, a \$2,000 personal exemption for all taxpayers, a maximum capital gains tax rate no higher than the current 20 percent and a delay in the date at which tax preferences would be eliminated.

The Democrats' bill would place the top rate, now 50 percent, at 38 percent; place the personal exemption, now \$1,080, at \$1,500 for taxpayers who itemize their deductions and \$2,000 for those who do not; set a top capital gains tax rate at 22 percent, and end tax preferences six months before rate reductions would go into effect.

Mr. Reagan appeared to have switched the final few votes at a 50-minute meeting with 160 Republican lawmakers in a hearing room across the street from the Capitol. The Republican leadership remained adamantly opposed to Mr. Reagan's position.

The treasury secretary, James A. Baker 3d, said Mr. Reagan had called Mr. O'Neill on Monday night to say that he had pledged of at least 50 Republican votes.

At the start of the day, according to Republican leaders, there were 38 such pledges.

Democrats supported Mr. Reagan by a 3-to-1 margin, and Mr. O'Neill said Monday of his party, "I know that we'll hold pretty much the position we've had."

Republican leaders said the letter from the president outlining those conditions and promising to veto a measure that did not meet them was essential to the vote switches.

Most Republicans continued to oppose the president.

U.S. Congress Approves \$6.3-Billion Arms Bonus

By George C. Wilson
Washington Post Service
WASHINGTON — House and Senate conferees have bolstered the Reagan administration's effort to save its rearmament program by agreeing to a \$6.3-billion dividend in military funds that could offset the automatic cuts envisioned by the new balanced-budget law.

The action came as the conference committee gave final approval Monday to a compromise \$282.5-billion defense budget in addition to the \$6.3-billion bonus.

The dividend is left over from prior appropriations. The House of Representatives had wanted to apply these funds to the budget for the 1986 fiscal year, which began Oct. 1, but the Senate prevailed in making it an addition to the total.

The overall figure, including funds for nuclear warheads and military construction contained in separate legislation, comes to just under \$299 billion.

This is about \$3.5 billion less than the \$302.5 billion that President Ronald Reagan had sought to keep his defense program at last year's level plus increases for inflation.

The House of Representatives had voted to limit the Pentagon to \$292 billion for fiscal 1986, while the Senate had approved \$302 billion.

During the intense bargaining behind closed doors, participants said, the House's major victory was to ban additional testing of anti-satellite weapons unless Moscow breaks its moratorium on such tests.

The Senate's big victory was to raise the amount of money available to the Pentagon.

The conference report will instruct the Pentagon to use most of the \$6.3 billion to finance military retirement pay, expected to be more than \$4 billion, during fiscal 1986. The usual practice is to submit a supplemental budget request.

Foreign Demand for Babies Spurs Kidnappings in El Salvador

By Marilee Simons
New York Times Service
SAN SALVADOR — A stranger snatched a baby from a woman's arms the other day. She had just come from a hospital, moving slowly, clutching a bundle of her and her day-old boy. As she hesitated before using the street, a man lurched toward her.

The woman screamed, but the kidnapper got away. Officials at a family court, who told the story, said had found no trace of the child. "It probably went away of other babies and was sent to the United States," one lawyer said.

In the incident, the officials said, was part of what the sister of justice, Julio Samayoa, recently called the "hideous and alarming" trade in children in El Salvador.

adoption, which has benefited many orphans and abandoned children in the troubled Salvadoran society, now has begun to haunt the country. By official count, the huge foreign demand for children has led only to profiteering and fraud but also to falsification of documents and kidnappings.

The government has ordered an investigation and it intends to tighten the rules.

"We plan to make it harder to adopt," said Carmen Barahona, the deputy interior minister. "We are not against adoption. It can do a lot of good. But what's going on is terrible. We don't want children used for business."

Many of the infants go to the United States, where the demand for adoption appears greatest and parents are willing to pay the highest legal fees. Several hundred babies also are sent to Canada and Europe every year.

While there are reputable lawyers involved in adoption work, others have turned it into a lucrative business, foreign diplomats and Salvadoran officials said. They said a number of lawyers had created their own procurement networks that included "baby scouts" who persuaded destitute mothers to give up their babies, caretakers who ran makeshift nurseries and people who arranged for false documents.

The hundreds of adoptions here annually yield, by some estimates, more than \$1 million a year, largely in exorbitant agent and lawyer fees.

While baby procurement has existed here for several years, kidnappings reportedly have increased in recent months and caused widespread alarm.

According to David Keane Leavitt, an adoption lawyer in Beverly Hills, California, there is no U.S. federal law that requires those who want to adopt to ascertain the legality of the placement.

However, if anyone, whether an agent or adopting parent, knowingly accepts a child under fraudulent circumstances, by falsifying the immigration documents or lying to the immigration authorities, that would violate United States immigration laws.

The police and other officials declined to provide details about the scope of the kidnappings in El Salvador. "The idea is to avoid panic," said an official of a state welfare agency. "I know of at least 10 cases this year, only in the capital."

In recent weeks, fears have run through San Salvador's poor neighborhoods. In Zacamli, a drab public housing complex on a hillside north of the city, women talked angrily about the lack of police protection and said they were keeping their children indoors.

Two sisters, who said they were too nervous to give their names, re-enacted for a visitor how a man with a gun had ordered them to hand over their toddlers. One sister ran off screaming and the man fled, they said.

The lax bureaucracy of El Salvador, its civil war and vast poverty have made the country one of the main markets for foreign adoptions in this hemisphere. The U.S. consulate in San Salvador reports that it handles more visas for adopted children than any other post except in South Korea and Colombia. The flow has almost doubled since 1982 and is expected to reach about 400 this year.

Yet the issue of adoption also reflects the customs of Salvadoran society.

"More than 70 percent of mothers here are not married," a diplomat said. "Men take the values of parenthood lightly. It's common to have children with more than one woman but often they cannot or will not look after them."

Speaking of the many unwanted pregnancies, a supervisor at a maternity hospital said that "poor women and even prostitutes often don't use birth control," and there still is a strong taboo about abortion.

INSIDE

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- Ethiopia is trying to develop its rural regions through mass relocations of farmers. Page 2.
- Syria threatened to deal Israel a "painful blow" if it attacks anti-aircraft missiles on Syria's border with Lebanon. Page 2.
- EC foreign ministers approved changes in the Treaty of Rome. Page 7.
- Deutsche Bank AG said it would offer 3.4 million shares in Daimler-Benz. Page 15.
- The European Community accused the United States of erecting a wide range of barriers to free trade. Page 15.

Ethiopian Drive to 'Villagize' Is Forcing Millions to Relocate

By Blaine Harden

Washington Post Service

HARER, Ethiopia — Bekri Yussif, a farmer in the southeastern highlands, tore down his house this year on the order of the ruling Workers' Party of Ethiopia. He and his family carried the hut, piece by piece, on their backs for about five miles (eight kilometers) and put it back together again at a site selected by the party. To tend his sorghum, Mr. Bekri walks back each day to the fields where his house used to be.

Like one million other farmers and their families in eastern Ethiopia this year, Mr. Bekri has been "villagized." The relocations are the first wave of a plan in which the government plans to move about 33 million people in the next nine years.

If program continues at the same pace, it will be the largest and swiftest mass relocation of people in the history of modern Africa.

In one year, the program has changed living patterns that are centuries old. Instead of being scattered on farms across the highland hills, nearly all of the 250,000 houses in the region now are clustered in thousands of new villages. Each village has 100 to 500 houses lined up in straight rows nearly 30 yards (27 meters) apart.

"We cannot give our people social services and economic assistance when they are all scattered around the countryside," said Kassaye Aragaw, first secretary of the Workers' Party in the Harerge region. "Basically, man likes to live collectively."

The program, Mr. Kassaye said, will increase security in rural areas and make it easier to teach Marxist-

Leninism to farmers. But he said the primary aim of the program was "to improve the living standards of the people." "Nobody forced the people to gather together. It was their own free will."

A survey by a relief agency, however, disputes that assertion.

Ethiopia has had some successful resettlement programs in the past, mostly involving rural people and large infusions of international aid.

But the size and suddenness of the current relocations has alarmed development specialists and relief workers working in Ethiopia. The country is still reeling from the effects of its most severe famine in this century.

The heads of several of the major relief and development agencies operating here say that the mass relocations, judging from how they have been carried out so far, are likely to create more famine.

"It is asking for trouble," said Michael Stahl, an agricultural specialist with the Swedish international development agency.

"The immediate effect," he said, "is that people will be busy moving their houses. They will not have time to work their fields. Why create turbulence in the few productive areas of the country, especially now when the country's need for food is so great?"

Many relief officials say that in principle, moving the people to villages makes sense because Ethiopia desperately needs rural development. But they question the way the government is carrying out the program, which represents one of the most dramatic social upheavals in the country's history.

"This program is not evil," said the head of one large relief agency. "It is just the style in which it is done. It is being done too fast, without paying any attention to the consequences."

Like nearly all of the eight agriculture and relief experts interviewed in Harer, he asked not to be quoted by name.

The relocation program was ordered by Lieutenant Colonel Mengistu Haile Mariam, the country's leader, and is being carried out by leaders of the country's increasingly powerful Marxist party.

Western relief officials fear that if they criticize the plan publicly, they could be expelled from Ethiopia. They also fear the cancellation of aid programs that recently have spent millions of dollars in the country.

Mr. Kassaye, who oversees the program in the Harerge region, dismissed criticism of the scheme as "distortions" by the enemies of Marxist Ethiopia. In an interview, he said that farmers will be allowed to farm their own plots of land and that their crops will not be collectivized.

A recent survey of relocated farmers in Harerge by a Western relief agency disputes Mr. Kassaye's contention that the program is voluntary.

According to an official with the agency, most of the farmers interviewed said that party cadres had forced them to move against their will. Many complained that they were losing their land and their new village when they should have been tending their fields.

Government relief officials say the Harerge region has had its smallest harvest in recent memory. It is the

only region in Ethiopia that will need more food assistance in 1986 than it received this year.

Bad weather is the primary cause of the food shortage, which is expected to affect 1.3 million people. But United Nations officials said the shortage also resulted from the rapid implementation of the relocation program.

Relief officials in Ethiopia drew a parallel between the problems and those created by the government's resettlement program. About 600,000 famine victims have been moved in the past year from the dry northern highlands of Welo and Tigray to less populated, more fertile areas in the country's southwestern region.

Although the government promised that resettlement would be voluntary, relief workers say that thousands of famine victims were transported against their will by local party cadres who were anxious to meet monthly quotas set by their superiors in Addis Ababa.

Relief officials complain that hundreds of thousands of farmers in the Harerge area were being moved in much the same way. And many of the new villages, they said, do not have an ensured water supply, medical clinics or schools.

Mr. Kassaye acknowledged that the Ethiopian government does not have enough money to build many clinics or schools in the villages.

"Our economic strength is not enough to answer the people's call for economic advantage," he said. "Nothing was given by the party and the government except knowledge. No other help was given."

WORLD BRIEFS

Bonn Picks Bangemann for SDI Talks

BONN (AP) — Chancellor Helmut Kohl has named his economic minister to lead negotiations aimed at giving West German companies full access to U.S. research on space weapons, the government said Tuesday.

Mr. Kohl's government has said that private companies are free to join the research into the program, which is known as the Strategic Defense Initiative. As lead negotiator, Economics Minister Martin Bangemann is to try to ensure that the Americans share their scientific research with the West Germans, the government press office said. Mr. Bangemann is chairman of the liberal Free Democratic Party, the junior partner in Mr. Kohl's center-right coalition government.

The West German cabinet is to meet formally Wednesday to approve the negotiation effort. The Reagan administration has invited all its NATO allies to take part in the research, but only Britain has accepted so far.

Soviet to Be Asked to Extend Test Ban

MOSCOW (AP) — The American co-founder of the group that won the 1985 Nobel Peace Prize said Tuesday that he and his Soviet counterpart would ask Mikhail S. Gorbachev, the Soviet leader, to extend the Kremlin's nuclear test moratorium past its year-end expiration. Dr. Bernard Lown said by telephone that he and Dr. Yevgeny Chazov, co-presidents of International Physicians for the Prevention of Nuclear War, would meet with Mr. Gorbachev on Wednesday. Dr. Lown, a Boston cardiologist, and Dr. Chazov, a deputy health minister and member of the Central Committee, founded the anti-war group that was awarded the Nobel Peace Prize in Oslo last week. The organization claims about 135,000 members in 41 countries.

Pretoria Says Zimbabwe Affirms Vow on Rebels

The Associated Press

JOHANNESBURG — The South African government said Tuesday that Zimbabwe has restated its pledge not to allow guerrilla attacks to be launched from its soil after a land mine blast that killed six South African whites.

Meanwhile, two television cameramen working for a British agency were arrested on charges of inciting violence in a remote black district where residents are protesting a government decision to make them part of a tribal homeland.

It was the most serious charge yet laid against journalists working in South Africa for foreign media.

Foreign Minister R. F. Botha said that South Africa's trade representative in Harare, the Zimbabwean capital, had given Prime Minister Robert Mugabe's government a letter protesting the blast Sunday near the Zimbabwe border.

Pretoria says that guerrillas of the outlawed African National Congress slipped into South Africa from Zimbabwe three weeks ago and laid mines that have killed seven persons and wounded 12 on dirt roads in the northern Transvaal province.

"The government of Zimbabwe," Mr. Botha said in a statement in Pretoria, "reconfirmed that that government will not let its territory be used for the planning or execution of acts of violence against any of its neighboring states, including South Africa."

Earlier Tuesday, the South African military said that its regional commanders in the border area would meet shortly with Zimbabwean officers to create a "channel" between the armies of white-ruled South Africa and its black neighbor.

Meanwhile, witnesses said a crowd of about 400 blacks hacked and burned a 20-year-old man to death Tuesday morning in Soweto, near Johannesburg, because he allegedly had given a party in defiance of a "Black Christmas" campaign that is intended to show sympathy with victims of violence.

Residents said the victim, a reputed gang leader, also was suspected of having extorted "protection money" from tavern owners.

At Moutse, a tribal district 62 miles (100 kilometers) northeast of Pretoria, the police arrested two members of a camera team for World Television News, a British agency, a spokesman in Pretoria said. They were identified as John and Patrick Lucey.

The spokesman said the Lucey brothers, who are South Africans, were suspected of inciting rioting at Moutse, where unrest occurred for the second day. The 120,000 residents are protesting a government decision to add their land to the Ndebele tribal homeland on Dec. 31.

The brothers were being held without bail under the Internal Security Act pending an investigation, the police spokesman said. He said they probably would appear in court Wednesday.

Foreign journalists, mainly television crews, have been arrested several times in recent months.

The government, which has banned film coverage in state-of-emergency zones, has said that the mere presence of foreign reporters is a catalyst to violence. But until now, reporters had not been charged with inciting a crime.

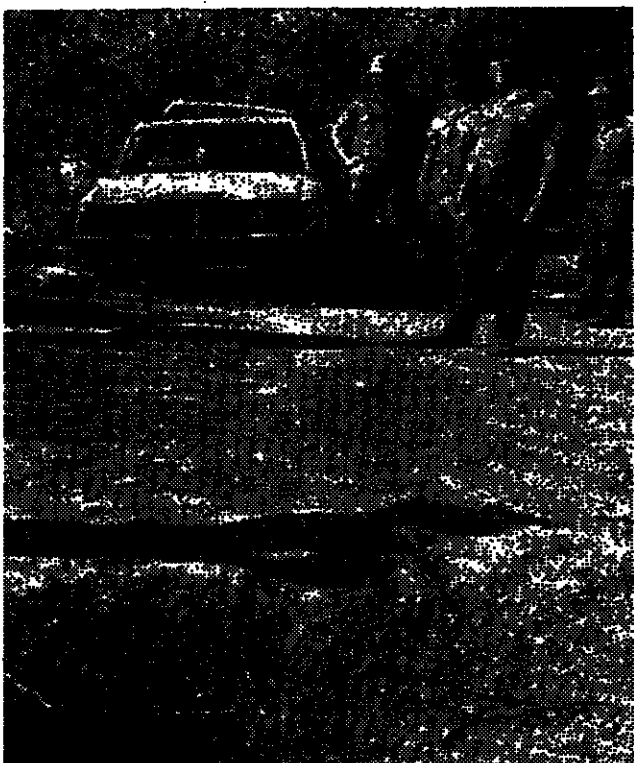
The penalty for instigating a crime is the same as for the crime itself. The usual riot charge is public violence, for which sentences range from a few weeks in jail to several years.

Norway Cuts Pretoria Trade

The government of Norway approved a seven-point program Tuesday to slash trade with South Africa in protest of its apartheid policies, Reuters reported from Oslo.

The government said it would ban all sales of Norwegian crude oil to South Africa, halt imports of South African fruit and vegetables and force ship owners to register vessels that carry cargo to South Africa.

Norway has been criticized for allowing its oil tankers to carry crude to South Africa. Anti-apartheid groups say that Norwegian ships supply up to 40 percent of Pretoria's oil needs.



South African soldiers observe the remains of the truck in which 11 whites were traveling when it hit a land mine near the Zimbabwe border. The blast left a three-foot crater.

Christian Militia Releases Syrians Held in Lebanon

Reuters

BEIRUT — Christian militiamen freed 15 Syrian captives Tuesday and a top Moslem leader agreed to end a 10-month boycott of the Lebanese cabinet.

A spokesman for the main Christian Lebanese Forces militia said that Syrian civilians abducted during the past year were handed over to Syrian Army officers in mountains eight miles (about 12 kilometers) from Beirut.

Syria, which has sponsored peace talks between Lebanon's rival militias, had freed 31 men of the Lebanese Forces a few days ahead of the scheduled signing Nov. 3 of a militia plan for far-reaching security and political reforms.

In another sign that tension was easing, a top Shiite militia leader and government minister agreed to

lift his 10-month boycott of the Lebanese cabinet.

Nabih Berri, the Amal militia chief and justice minister, said he was ready to attend a full meeting of the cabinet if a secure venue could be found. Cabinets normally meet at the presidential palace in Christian-held territory east of Beirut.

Threat to Abducted Jews

An underground group threatened Tuesday to kill four kidnapped Jews in Lebanon unless 300 Shiite Moslems imprisoned by Israel in southern Lebanon were freed soon, The Associated Press reported from Beirut.

But the statement purportedly issued by the Organization of the Oppressed on Earth did not set a specific deadline.

"We shall begin executing them unless the struggles in Khiam are released," said the statement, which was published by the leftist Beirut newspaper As Safr and the independent An Nahar. Khiam is a village inside Israel's "security zone."

In London, the Church of England said the Anglican envoy, Terry Waite, will return to Beirut on Friday to resume negotiations for the release of Americans held captive in Lebanon.

Meanwhile, a Lebanese-born French doctor, Razah Raad, acting for the French Foreign Ministry in negotiations over four French hostages in Lebanon, left for Beirut on Tuesday with Pierre Blouin, a diplomat, French officials said.

U.S. Asks UN Meeting

The United States asked Monday for an urgent meeting of the UN Security Council to consider the "serious situation created by acts of hostage-taking and abduction," Reuters reported from New York.

Syria Warns Israelis Not to Attack Missiles

The Associated Press

DAMASCUS — Syria warned Tuesday that it will deal "painful blows" to Israel if it attacks anti-aircraft missile batteries deployed along Syria's border with Lebanon.

The warning, conveyed through the government-controlled press, also indicated that Damascus was rejecting a U.S. plea to remove the high-altitude missiles, known as SAM-2s, which could fire deep into Israeli airspace.

"Syria will not yield to the roles of American-Zionist blackmail however heavy the pressure may be," Tishrin, a daily newspaper, declared. "Syria possesses the capability to repel all aggression and deal painful blows to the aggressors."

Al-Thawrah, another daily, commented: "It is a certainty that any aggression will not be a picnic for Israel, but will entail grave consequences because the masses all over the Arab world are determined to confront Israeli aggression and the forces supporting it."

Israeli leaders have stressed they do not want to aggravate tensions over the deployment. But they have said that the SAM-2s will seriously impair the ability of Israeli jets to conduct routine surveillance patrols over Lebanon to monitor military and guerrilla activity.

The Israeli Army said that three clusters of fixed SAM-2s, which have a range of 25 to 35 miles (40 to 56 kilometers), were installed.

The move was in retaliation for the Israeli downing of two Syrian MIG-23 fighter planes on Nov. 19 over Syrian territory.

Earlier, the Al-Ba'ath newspaper of President Hafez al-Assad's ruling Ba'ath Arab Socialist Party defended Syria's right to "deploy inside its territory whatever weapons necessary for its self-defense."

In Israel, meanwhile, Prime Minister Shimon Peres said Tuesday that although Syria is not interested in peace with Israel, it does continue to abide by its border agreements with the Jewish state.

His remarks appeared aimed at soothing tensions.

Mr. Assad "is not seeking peace with Israel, he is seeking what the Syrians call strategic parity," Mr. Peres told high school students in the central Israeli town of Lydda.

"The minute they think they

have strategic parity, they might have other thoughts, too," the prime minister said.

But Mr. Peres added that "until then, Assad is maintaining the agreements between Syria and Israel, the written agreements and more or less the unwritten ones."

Israel and Syria signed a disengagement agreement, after U.S. mediation, in 1974, defining their border deployments on the Golan Heights. The two countries also informally established separate spheres of control in Lebanon.

U.S. Urges Redeployment

Earlier, Doyle McManus of the Los Angeles Times reported from Washington.

The Reagan administration has advised Mr. Assad that the easiest way to avoid a clash would be to bow to Israeli demands and withdraw the anti-aircraft missiles, officials said Monday.

U.S. diplomats in the Middle East have been relaying messages between Jerusalem and Damascus — and, on occasion, tacitly mediating between the two countries — in an attempt to defuse the standoff, the officials said.

"The United States opposes any escalation of tensions or resort to military force," said Charles A. Redman, a State Department spokesman, reading a statement.

"Such actions would not be in the interests of Israel, Lebanon, Syria or the United States. Accordingly, we have called on Israel and Syria to exercise restraint."

In private contacts with the Syrians, U.S. diplomats have relayed Israeli assurances that the Nov. 19 shooting was an error and would not be repeated, officials said. They also have suggested that Syria could avoid a new escalation of hostilities by quietly removing the missiles out of range of Lebanese airspace, they said.

"We cannot tell them where to station their missiles on their territory," one official said. "But we can point out the dangers of the situation and convey messages."

But he said Israel's public warning to the Syrians had made it more difficult to ease the tension.

"The Syrians have been publicly challenged by the Israelis, and they people know that," he said. "They have to respond. They can't back down in public."



Mohammed Zia ul-Haq of Pakistan, left, was greeted Tuesday by Rajiv Gandhi upon his arrival in New Delhi.

Gandhi, Zia Ban Nuclear Plant Attacks

NEW DELHI (Reuters) — The leaders of India and Pakistan, in what appeared to be a significant step toward better relations, agreed Tuesday that their countries would not attack each other's nuclear facilities.

President Mohammed Zia ul-Haq of Pakistan and Prime Minister Rajiv Gandhi of India also announced that their defense officials would meet to end clashes over a disputed Himalayan glacier. They agreed to resume negotiations next month to reconcile a no-war pact proposed by Pakistan and a peace and friendship treaty proposed by India.

Mr. Zia and Mr. Gandhi told a joint news conference that their meeting was the most cordial of the six they had held since Mr. Gandhi took office a year ago.

Khomeini Heir Says He Is Reluctant

TEHRAN (Reuters) — Ayatollah Hussein Ali Montazeri said Tuesday that he had been chosen against his wishes to succeed in the future, Ayatollah Ruhollah Khomeini, Iran's supreme leader.

Tehran Radio read a statement from Ayatollah Montazeri's office in which he said that he had written a letter to the Assembly of Experts, asking them to annul their decision made in November that he was the most suitable man to succeed Ayatollah Khomeini.

"Despite the wishes of my heart, I am faced with a fait accompli," the statement quoted Ayatollah Montazeri as saying.

Costa Rica Expels 200 Peace Marchers

SAN JOSE, Costa Rica (UPI) — Costa Rica has expelled more than 200 people traveling across Central America in an international caravan for peace, saying it could not guarantee their safety. Rightist protesters had thrown stones and tear-gas canisters at the group on Sunday, but nobody was hurt.

The 217 participants in the International March for Peace boarded five buses Monday and were escorted to the Nicaraguan border by police. The Costa Rican government had granted caravan members, who represent 20 countries, 72-hour visas but revoked them following the attack.

The public security minister, Benjamin Piza Carranza, said of the marchers, "Their presence was disturbing the peace." The caravan was called to support human rights and peace in Central America.

For the Record

The Wednesday launch of the space shuttle Columbia was postponed 24 hours after the countdown team in Cape Canaveral, Florida, fell behind in readying it for its first flight in more than two years.

Gary D. Talano of Auburn, California, who says he married a fellow Soviet student in Moscow in 1978 in a so-far fruitless attempt to help him emigrate, has been allowed to drop divorce proceedings.

President Nicolae Ceausescu of Romania announced Tuesday that Defense Minister Constantin Olteanu had been relieved of his duties, the official news agency Agerpres said. He is to be replaced by Vasile Milcu, his former deputy and chief of staff.

Elections will be held Jan. 23 to fill the seats vacated by 15 Protestants who resigned from the British Parliament to protest the British-Irish accord signed last month, it was announced Tuesday. The pact gives the Irish Republic a formal voice in Northern Ireland.

Moscow Welcomes Proposal By West on Cuts in Troops

Reuters

MOSCOW — The Soviet Union welcomed a new Western proposal on troop reductions in Europe on Tuesday as a sign of political dialogue but said it would not significantly reduce the level of East-West military confrontation.

Valerian Mikhallov, chief Soviet negotiator at the Vienna talks on cutting conventional forces in Central Europe, said the Western proposal, made Dec. 5, was in the spirit of President Ronald Reagan's

meeting with the Soviet leader, Mikhail S. Gorbachev, last month in Geneva.

Mr. Mikhallov said: "We positively assess the fact that the Western countries made a response to our proposal. Such an exchange of signals is in line with the agreements at the U.S.-Soviet summit in Geneva."

"We are now carefully considering our response to the Western side to see to what extent it can contribute to progress at Vienna."

But he criticized the proposal for not going as far as a Warsaw Pact offer, made in February, to cut Soviet and U.S. troops by an initial 20,000 and 13,000 troops respectively and to include both sides' weapons in the reductions.

"The chief shortcoming of the proposal of the NATO countries," Mr. Mikhallov said, "is that it reduces to nothing efforts for a real lowering of the level of military confrontation in Central Europe, substituting them with inflated requirements for verification."

The 19-nation Vienna negotiations, known in the West as the Mutual and Balanced Force Reduction talks, opened in 1973.

Ce parfum qui fait rêver...

L'AIR DU TEMPS
NINA RICCI

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Based on his long and intimate acquaintance with Bombay our foreign correspondent writes:

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AMERICAN TOPICS

Uneasy Prosperity At GM's Saturn Site

"For Sale" signs have sprung up everywhere in Spring Hill, Tennessee, "current population 1,100, since General Motors announced five months ago that the Saturn subcompact automobile plant would be built there at a cost of \$2.5 billion — the biggest industrial investment by any American business at a single time and place in history. Land values are shooting sky-high. Out-of-town speculators were so numerous for a while that they had to wear arm bands to keep from trying to sell to each other, the Los Angeles Times reports.

Officials of the town, which is about 30 miles (48 kilometers) south of Nashville, and of surrounding Maury County are racing to prepare a comprehensive growth plan to prevent Spring Hill from taking on the "honky-tonk" look of commercial strips that have sprouted in other boom towns.

The plant will hire 6,000 workers and is expected to generate at least 10,000 additional jobs. Under an agreement with the United Auto Workers, half the plant's workers will be union members, largely from the North.

But Bobby Williams, pastor of the local Church of Christ, told his congregation not to worry: A former resident who had been a UAW member had reassured him "that many of the people who want to come down here are Christians."

Short Takes

Twenty years ago, the National Association of Diaper Services had 200 member companies renting cloth diapers; now it is down to 110. Disposable diapers have covered 70 percent of the \$3.5-billion-a-year diaper market. But cloth diapers are making their way back. "They're softer on the skin," said Antis Agnew, mother of Christopher, 2, "and the disposable ones aren't biodegradable." Indeed, The New York Times says the plastic liner of a disposable diaper takes 250 years to decompose.

The unmanned spacecraft Pioneer 6, launched 20 years ago Monday, was built to last six



ROBOT ON THE BEAT — Phil Nolan, a New York policeman, lost his nightstick to a pint-sized Omnidroid 2000 from Daily Planet, a specialty outer-space store.

months, but it is still working. Following the approximate orbit of the Earth, but on the other side of the sun, it continues to send data about solar phenomena. Nobody listens; its functions have long since been usurped by newer instruments. But in a sentimental gesture, the National Aeronautics and Space Administration planned to tune in the old workhorse for a few minutes this week.

The day that Bo Jackson, a black athlete at Auburn University at Montgomery, Alabama, won the Heisman Trophy as the best college football player of the year, U.V. Clemm, a federal district judge in Birmingham, labeled Auburn the most segregated campus in the state and gave Governor George C. Wallace until mid-February to devise a plan to remove remnants of segregation from Alabama universities. Except for things like the "presence of black athletes,"

Judge Clemm wrote earlier this month, "Auburn's racial attitudes have changed little since the '50s."

Meyer Bob Powell of Monroe, Louisiana, and Police Chief Willie Buffington gave a Christmas present to the entire city. Parking meters will spend the holiday season covered with bags tied with ribbons.

President Ronald Reagan, speaking in Seattle the other day, got off another of his one-liners: "There are still some die-hards," he said, "who refuse to acknowledge that the changes we've made have had anything to do with America's dramatic progress in these last few years. They sort of remind me of the fellow who was asked which was worse, ignorance or apathy, and he said, 'I don't know, and I don't care.'"

— Compiled by ARTHUR HIGBEE

DC-8 Crash Inquiry Focuses On Power Reversal in Engine

By Richard Wilkin

New York Times Service
NEW YORK — Investigators are focusing increasing attention on the possibility that the crash of a chartered airliner in Newfoundland last week was caused by a reversal of power in one of its engines.

This would be consistent with the sudden veering and speed loss that Canadian officials said the plane had experienced just before it plunged to the ground. But other possible causes of the crash last Thursday are being investigated.

Canadian investigators said that the Arrow Air DC-8 had reached a speed sufficient for a proper take-off before it decelerated and crashed.

According to officials close to the inquiry, an examination of the wreckage showed that the right outboard engine's thrust reverser, which helps to slow a plane on landing, was in the deployed position. The reversers on the jet's three other engines were properly stowed.

The plane's nose took an abrupt 20-degree turn to the right and the plane's speed dropped rapidly from the peak figure of 190 miles per hour (305 kilometers per hour). The heading and speed figures were obtained by the Canadian authorities from the data recorder retrieved from the plane.

The sources cautioned against drawing premature conclusions from the discovery of the deployed thrust reverser. They noted that the impact of a crash had destroyed the mechanism in previous incidents.

They said the damaged parts would have to be examined carefully to determine whether the deployment took place before or after the crash. The Arrow Air jetliner faltered on takeoff from Gander, Newfoundland, and crashed into a rocky hillside last Thursday. All 256 people on board were killed.

Other possible reasons for the disaster that are being examined include conventional engine failure; icing of the heavily loaded plane's wings, which had not been de-iced in the hours before the crash; or intrusion into the airstream of some mechanism other than a thrust reverser; and less-than-optimum flying techniques by the crew.

Some safety experts suggested that several of these factors might have come into play. Ken Johnson, director of the Canadian Aviation Safety Board, was

quoted by Reuters as saying that sabotage and fuel contamination had both been ruled out as causes.

Thrust reversers are clamshell-shaped devices that are extended outward from the rear of a jet engine when a plane touches down on landing. They help slow down a

plane by turning the jet exhaust sharply forward so that it exerts force in the opposite direction from that used to propel a plane forward.

To activate the reversers on a DC-8, a pilot must first pull back the throttle for a particular engine and then pull back another throttle-like lever attached to the reverser. It was not immediately clear to investigators how a reverser could be deployed by accident in the air.

When the plane's sharp veering was first disclosed by officials investigating the crash, an immediate theory put forth by aviation experts was that engine power had been lost on the right side. But at the speed the plane was known to have attained before it was suddenly slowed, the crew normally should have been able to continue flying safely with just three of its four engines operating properly.

But what if both right engines had failed?

The issue became increasingly clouded as industry officials disclosed that all four engines appeared to have been producing high power at the time of impact. That determination can be made visually, according to experts.

An engine that was producing high power will shroud compressor and turbine blades as the plane crashes. The process is known as "corn cobbing," because the compressor and turbine discs to which the blades were attached are reminiscent of a cob from which the kernels have been detached.

Some experts continued to suggest that failure to de-ice the jetliner at Gander might have contrib-

uted to the crash, while others insisted that the snowfall while the plane was on the ground would not have significantly affected its take-off.

Icing of a wing can dangerously increase weight and can diminish a wing's lifting ability by distorting the aerodynamic flow of air over its surface.

Suspensions of a power loss in one of the engines were reinforced by reports from industry officials that the right inboard engine of the Arrow Air plane had been having recent problems. One source quoted Federal Aviation Administration officials as saying that the engine had been using excessive amounts of oil.

Still, loss of a single engine should not, by itself, have precipitated a crash. The plane had attained a speed that was sufficient for continued acceleration and safe flight with only three engines operating.

The type of engine involved, the Pratt & Whitney JT3D, was a different model from the one that malfunctioned in different ways, figuring in two fatal accidents last summer in Manchester, England, and Milwaukee, Wisconsin.

Colombian Rebels Kill Civilian, 2 Policemen

United Press International
BOGOTA — Leftist rebels have attacked a town popular with tourists, killing two policemen and a civilian. The authorities said that other guerrillas hijacked two planes and used them to drop propaganda leaflets.

A military source said the rebels battled the police Monday in the plaza of San Agustín, 250 miles (400 kilometers) southwest of Bogotá. In addition to the three deaths, seven civilians were wounded, the source said. Military officials said other guerrillas hijacked two light planes Sunday and used them to drop leaflets before freezing the pilots and releasing the planes.

Expected to sign the compact into law this week, probably Friday, at a ceremony attended by representatives of the Federated States of Micronesia and the Republic of the Marshall Islands.

Although the legislation is not as comprehensive as leaders of the islands had sought, key members of Congress and administration officials said they were hopeful the agreement would be endorsed by the islands' governments.

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U.S. Congress, Stuck on Budget, Moves To Pass Another Stopgap Funding Bill

By David Espo

The Associated Press

WASHINGTON — The U.S. Congress, struggling through a tangle of year-end legislation, approved Tuesday yet another short-term spending bill needed to keep many federal agencies in operation and prevent disruption of government services.

"Truly the system has broken down," said the Reagan administration's budget director, James C. Miller 3d. He spoke after the House of Representatives passed a third emergency stopgap spending bill since late September, and second in less than a week, and sent it to the Senate.

But lawmakers said there was no blame to go around. Privately, they faulted administration officials for failing to push for passage of a long-term, \$370-billion spending bill. The bill, which included a large rise in defense funding, was defeated overwhelmingly late Monday in the House.

The long-running drama over spending bill resumed while the House voted 258-168 to revive tax legislation, which President Ronald Reagan has called the item on his second-term domestic agenda.

With Congress already well behind its original adjournment timetable, lawmakers expressed frustration over the length of the session. Could any of you like to be with families?" asked the House Republican whip, Trent Lott of Mississippi.

The new target date for adjournment appeared to be Wednesday or Thursday. Members of the two houses hope by then to have approved a \$52-billion farm bill, a companion measure to bail out the Farm Credit System, and a measure to cut federal spending by as much as \$80 billion over three years.

The spending bill that was defeated Monday would have provided funding for the rest of fiscal 1986 for the departments of Defense, Agriculture, Transportation, the Interior and Treasury, as well as the General Services Administration, the Office of Personnel Management, the White House and a few other agencies that had not received their regular appropriations for the year. The fiscal year began Oct. 1.

The legislation was needed because Congress has passed only six of the 13 regular appropriations bills.

Despite the lapse in spending authority for many agencies, officials ordered no immediate shutdown of services.

The chief White House spokesman, Larry Speakes, said that if no interim bill were passed by Wednesday, nonessential federal workers would be told not to report to work.

House members, meanwhile, said several factors were responsible for the rejection of the long-term spending bill by a 239-170 vote: Liberal Democrats were angry over a large increase in military spending in a time of fiscal austerity.

ity; Republicans were concerned about a provision that could lead to a congressional pay raise in 1987; and administration officials, preoccupied with the tax fight, had not indicated a firm position on the measure to Republican lawmakers.

The administration "had it right on the one-yard line and they fumbled," said Representative Silvio O. Conte of Massachusetts, the top Republican on the House Appropriations Committee. Republicans voted 119-55 against the bill.

Other irritants in the huge bill included a provision to cut off federal highway aid to states that did not raise the legal drinking age to 21. That affected Vermont, Wisconsin and Louisiana; the vote in those three delegations combined was 13-3 against the measure.

"I'm going to recommend that we adjust these things," said Representative Jamie L. Whitten, Democrat of Mississippi, chairman of the House Appropriations Committee.

In another matter, the House approved legislation permitting the former White House chief of staff, Hamilton Jordan, to seek reimbursement of \$66,553 in legal fees incurred during a 1979 investigation of allegations that he possessed cocaine. Mr. Jordan was cleared of wrongdoing in the case.

The Senate spent the morning Tuesday debating a variety of presidential appointments, confirming former Senator James L. Buckley, a New York Republican, as a federal judge by an 84-11 vote, and Anne Graham by voice vote to the Consumer Product Safety Commission.

Delta Pilots Are Safest, Paper Says

The Associated Press

DALLAS — Pilots for Continental Airlines are cited for violating federal regulations more than those at any other airline, and Delta Air Lines pilots have the lowest citation rate, the Dallas Times Herald reported Tuesday.

The newspaper said that based on comparisons of 1,152 federal pilot citations issued since 1980 and the number of flights of each major airline, pilots at Continental, Midway and American ranked first, second and third for the highest rate of violations.

Pilots at TWA, USAir, Frontier and Pan American also were cited more often than the average of the 17 airlines used for comparison, the newspaper said. Delta was followed by Ozark and Republic in the lowest citation rate, and those airlines emphasize the importance of federal safety regulations more than the others, said John Galbraith, president of the Aviation Safety Institute.

Officials at the airlines whose pilots were cited most blame a lack of uniformity in the way violations are reported to and investigated by the Federal Aviation Administration.

According to the newspaper, citations were issued at an average rate of one every 31,956 flights.

At Delta, pilots averaged one citation every 57,490 flights, while Continental averaged one citation every 15,600 flights.

Proposed Ban on Space Tests Assailed

New York Times Service

WASHINGTON — The White House and the Defense Department have sharply criticized a congressional proposal to further testing of anti-satellite weapons, saying a ban would send a signal to Moscow.

Pentagon spokesmen charged that the proposed ban would give the Soviet Union "lifeline" veto power over a vital defense program.

They said the ban would undercut control negotiations, impair national security and waste about \$1 billion already spent to launch

two satellites that were intended to serve as targets for tests of the anti-satellite weapon.

The proposed ban on such tests was approved late Friday by House and Senate negotiators as part of a catchall spending bill for fiscal 1986. House-Senate conferees formally agreed to it on Monday.

The chief White House spokesman, Larry Speakes, said the administration had not accepted the language imposing the ban. But administration officials stopped short of saying that President Ronald Reagan would veto the spending bill.

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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Time to Shift Into Gear

The prices of raw materials—rubber, copper, sugar—are in a worldwide nosedive. It is the 1970s in reverse. OPEC can't hold the line against declining oil prices. The international cartel that guarded the price of tin collapsed in a flurry of uncollectible IOUs in October. It is hard not to cackle over chickens coming home to roost, but commodity deflation is a mixed blessing. The gains for the industrialized importers are mirrored by the losses of exporters, many of them very poor and deeply in debt to Western banks. Deceit and self-interest require something better than gloating.

An array of raw materials that cost \$100 in 1980 now costs only \$74.30. Even after adjusting for the distortions created by a strong dollar, the purchasing power of most commodity exporters has plummeted. According to The Economist, the decline in one year saved the industrialized economies \$65 billion. Part of that is at the expense of wealthy oil producers, but oil prices have fallen less than those of most metals and farm products. The big losers include Bolivia, Ghana and the Philippines.

One direct consequence is a shorter fuse on the debt bomb. Interest rates have declined by a third in the last three years, but declining commodity prices have offset the debtors' gain. Some debtors, including Peru, Chile, Ivory Coast and Morocco, owe more of their export earnings for debt service than in 1982. Their living standards are declining. Worse, they must reduce imports of capital equipment, losing the growth route out of debt.

If low commodity prices are the problem, why not just raise them? In theory both producers and consumers could benefit from "buffer stock" agreements that soak up com-

modity surpluses when prices are low and that relieve shortages when prices are high. The Carter administration was inclined to cooperate in their creation. Even market-oriented Reaganites have quietly blessed a buffer stock agreement in coffee. But it is rarely possible to satisfy both buyers and sellers for very long; these agreements usually fall apart.

Treasury Secretary James Baker suggests that the quickest remedy is to reopen the loan windows of Western banks. That makes sense for debtors like Brazil and Argentina, which could use the extra capital productively. But loading more debt onto overburdened economies is a palliative at best. More effective relief requires more demand for Third World commodities, and lower interest rates.

The Federal Reserve could serve those objectives by liberalizing credit. But relying only on U.S. monetary policy would risk re-igniting inflation. The more prudent path would be for the advanced nations to coordinate economic policies. America's contribution would have to be to reduce its budget deficit markedly, easing the U.S. government's demand for private capital and letting interest rates fall. Japan and Western Europe would have to reduce taxes or increase government spending, stimulating imports of raw materials from the Third World.

The industrial countries agreed in principle to this division of responsibility last fall, but their good intentions have not been translated into policy. That is understandable; the Japanese Diet is as reluctant to increase spending as the U.S. Congress has been to reduce it. But with half the world's economy idling in neutral, the inaction by all is indefensible.

—THE NEW YORK TIMES

Company Not to Keep

The Reagan administration's Central American counterterrorism bill repackages a dubious idea derived from a flawed premise. It would earmark \$54 million for hardware and training for police in El Salvador, Guatemala, Honduras, Panama and Costa Rica. The hope is to turn bad cops into good cops under the tutelage of Uncle Sam. Undeniably, Central America's police, underpaid and often overzealous, could benefit from better training. Most of the money would be spent in El Salvador, where the police face a resurgence of urban terrorism. But it is naive to assume that training alone can "professionalize" police in societies in which civilian authority is feeble, as in El Salvador, or nonexistent, as in Guatemala. The risk of involving the United States with police forces capable of torture or other atrocities far outweighs any benefit.

The risk is real. In Uruguay in the 1970s, U.S.-trained policemen tortured leftist suspects, and guerrillas executed a U.S. adviser accused of complicity. In El Salvador last June, a U.S.-trained military police team used excessive force to end a hospital strike. The

attackers killed a patient and four police guards whom they failed to recognize.

No U.S. training can overcome a failure of local authorities to control the police. "Disappearance" and torture were common during the Argentine military's dirty war against terrorism, but police behavior improved dramatically when an elected president took over in 1983. No special training was required. By contrast, El Salvador's well-meaning but weak government deals as a supplicant with security forces it only nominally controls. It is not police manuals that need changing so much as attitudes—as happened when President Reagan finally made clear that if death-squad killings did not cease, U.S. aid would.

In 1974, after the ugly business in Uruguay, Congress barred further aid for training foreign police. Already circumscribed in El Salvador, the restriction was lifted this year. Now, in the name of combating terrorism, the administration wants to revive police training in a whole region. Unless it can make a better case for the operation, Congress ought to demur.

—THE NEW YORK TIMES

Other Opinion

A Hard Choice for Zimbabwe

The deaths of six white South Africans, four of them children, near the Republic's border with Zimbabwe comes after a succession of less horrible bomb incidents in that area. Although the Zimbabwean government denies that it is offering sanctuary to African National Congress guerrillas, it seems to be tolerating their presence. If the government does not wish to act as a kind of host to ANC guerrillas it had better quickly get rid of them if it can. The South Africans are notoriously impatient in these matters and it may not need one more incident of this sort for them to go into Zimbabwe in a spirit of retribution.

—The Daily Telegraph (London)

Babies, 'Dallas' and Democracy

Does population—its levels, its direction—influence cultural potency? Of course it does. Population . . . influences power, economics and politics, and these factors clearly interlink with culture and values. Weak nations tend to emulate strong ones. Wealthy nations export goods and services that indirectly transmit values and culture. Why do American movies and television programs dominate the global market? Why don't Dutch movies and television programs dominate the global market? There is an economy of scale in many aspects of culture just as there is in military weaponry. Nations populous and wealthy enough to build aircraft carriers can amortize the cost of a multitude of situation comedies, high-budget movies and traveling art exhibits. These products, already profitable or near break-even in a

large domestic market, can be sold overseas at relatively low incremental cost. And when "Dallas" is on every week in Algeria, on balance the West (believe it or not) benefits.

Democratic values are contagious. They have spread remarkably in the last two centuries. The democratic infection needs carriers. Who are the carriers? In recent centuries the United States, France, Britain and others. If these carriers are weakened in the relative scheme of things—and by diminished demographic strength and its outward ripples—is it possible that the spread of democratic values may be slowed? Or stopped? Or reversed?

—Excerpted from *The Washington Post* from a paper presented by Ben J. Wattenberg and Karl Zinsmeister at an American Enterprise Institute seminar this month.

A Peaceful Night for a Change

If someone has been gonging you on the head with a hammer for 30 years, do you miss it when it stops? After a week of watching British television, I didn't yearn at all for the shriek and the frenzy of American television. British television isn't always grabbing you by the collar and shouting "Watch me, watch me, watch me." It doesn't overflow with promos and baronges and clamorous importunities. Often, indeed, it defies you to stay tuned. The BBC has lost dignity and viewers, but it mends its manners. An announcer said, "This is as far as we come on BBC-1" and wished all us viewers "a very peaceful night." He didn't insist that we tune in again in the morning. From his tone of voice, he didn't care if we did.

—Tom Shales in *The Washington Post*

FROM OUR DEC. 18 PAGES, 75 AND 50 YEARS AGO

1910: For a Neutral Panama Canal

PARIS — It is curious that at the very moment when President Taft is proposing an international conference to bring about a limitation of armament, he should favor the fortification of the Panama Canal, which will render a vast increase of America's armament. Friends of peace should demand not the fortification of the canal but the declaration of its neutrality under the guarantee of all the Powers. Such a declaration would place the canal zone outside the range of a possible war. Neutralization under the guarantee of the United States, France, Great Britain, Italy, Germany, Russia, Austria, China and Japan would be a more efficacious protection of its existence than any fortifications military genius could devise.

1935: Japan Stokes Chinese Anger

TIEN-TSIN — A new wave of Chinese nationalism is growing out of the increase of anti-Japanese sentiment. Chiang Kai-shek's promise to the nation that "China will not yield an inch to any power seeking to destroy her liberty" and parades of students and laborers protesting Japanese influence are manifestations of the opposition. Observers do not see any indication that the North China situation will become calmer in the near future. It is believed that Japanese penetration will continue until they have control of the five North China provinces and their 95,000,000 inhabitants. Meanwhile, a bomb was hurled [on Dec. 17] at the residence of General Tada, commander-in-chief of the Japanese forces in North China.

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A Plague That Washington Encouraged

By Jefferson Morley

NEW YORK — The conviction of five Argentine military commanders for waging a "dirty war" against their own people is an encouraging precedent for democracy in Latin America. But democrats elsewhere in the hemisphere, especially in Central America, who have endured similar reigns of terror still find hopes of human rights trials elusive. Not the least of their burdens is the legacy of Reagan policy.

The Argentine death squads bequeathed their modus operandi to the death squads of Central America. The wave of state violence that began in Argentina in 1976, killing at least 9,000 people before it ran its course, struck El Salvador and Guatemala in 1979 and after. The cars without license plates, the kidnappings, the assassinations of church leaders, the torture and the disappearances—all were methods tried first in Argentina and later borrowed by the Central Americans.

Arrogating senior officers who oversaw this Central American terrorism would go a long way toward establishing democracy in the region. From the start there has been plentiful evidence that the violence in Central America—as in Argentina—has been largely directed from the highest levels of government. The problem is that many of the prime suspects have enjoyed the blessings of the Reagan administration.

In February 1981 Secretary of State Alexander Haig called for resumption of U.S. aid to Argentina on the grounds that Argentina had made "dramatic, dramatic improvements" in human rights. Jaime Kirkpatrick, then the chief U.S. delegate to the United Nations, held friendly meetings with a host of Argentine officials. General Roberto Eduardo Viola, who was sentenced

last week to 17 years in prison, was warmly welcomed at the White House in March 1981.

General Viola's counterparts in Central America received similar approbation in the first half of President Reagan's first term. In 1982, Reagan administration officials described Roberto d'Aubuisson, the right-wing leader said to have close ties to the Salvadoran death squads, as a "fine young democrat" who could not be called an extremist. The administration allowed Argentine army advisers to train anti-Sandinist insurgents in kidnapping, assassination and torture. In December 1982 President Reagan himself downplayed the death squad rampages in Guatemala.

None of this softness on terrorism has been lost on democrats in Central America, and it surely gives them pause. If President Reagan regarded mere criticism of the Guatemalan generals as a "bum rap" three years ago, how could he possibly believe that a formal indictment of those same generals would be justified today?

In some cases the attitude in Washington may even endanger Central American moderates. A Central American who publicly calls for prosecution of military officers involved in death squads knows that he may be their next victim in any case, but indifference from the United States makes it all the more prudent to keep silent.

The assistant secretary of state for inter-American affairs, Elliott Abrams, has told foreign reporters that the administration will support Central Americans whether they "decide to have a 100-percent amnesty" for officers involved in rights abuses or "decide to try everyone." The trouble is, as Mr. Abrams has admitted on other occasions, that Central American leaders have not been able even to discipline their military subordinates, much less put them on trial.

A congressional resolution, supported by the administration, could clarify the U.S. position. It could hail Argentina for its impartial and unflinching approach to its own trial. The resolution should also state that any Latin American government that followed the Argentine example would enjoy the support of the people of the United States and, if desired, the assistance of the U.S. government. That would underline the U.S. position that democracy consists not just of elections but also of the rule of law.

The writer is associate editor of *The New Republic*. He contributed this column to *The New York Times*.



Don't Ask Where the United States Really Stands

By Flora Lewis

WASHINGTON — Usually there are two uses for bargaining chips: bargain with them or save them. The Reagan administration has been trying to establish a third: to extract money from Congress for policies that Congress opposes.

This is not the only reason for the current disaffection between the White House and Capitol Hill just a year after President Reagan's triumphant re-election. But broken promises have contributed substantially to the strained relations between the legislators and the executive.

The two most flagrant cases concern missiles and Nicaragua.

When Congress balked at the request for 100 MX missiles, the president appointed a commission under Brent Scowcroft, a former national security adviser, to study the issue. When the commission recommended a compromise, a deal was made. Funds were appropriated for 50 missiles plus spares. In return, the administration agreed to go ahead with Midgetman, a mobile single-warhead missile that would escape the problem of MX vulnerability.

But now the administration has changed the policy and has offered the Russians a ban on all mobile missiles. It is highly unlikely that

Moscow would accept, but the offer puts the whole basis of the Washington compromise in question. Further, the Defense Department has dawdled in drawing up specifications for Midgetman, so the designers can't work on it. The promise has not been explicitly withdrawn, but that certainly seems to be the intention.

The unmet reason is apparently that Midgetman, which would not need to be defended with anti-missile missiles, could undermine the argument advanced for "star wars."

If you insist on defending big missiles, then you need more big missiles to defend, not little ones instead. In a similar pattern, Congress was persuaded to appropriate funds for the Nicaraguan "contras" with a promise that the United States would negotiate with the Sandinist government to seek a political settlement. But the negotiations have been stalled—not formally broken off, just not continued. Now Secretary of State George Shultz says the United States will not negotiate unless Nicaragua first makes an agreement with the rebels mediated by the church.

Something approaching this turnaround seems to be developing with

Angola as well. The ban on aid for the UNITA forces of Jonas Savimbi, the South African-backed rebel, was lifted with the argument that it would put pressure on the Angolan government to accept a deal in which it would expel Cuban troops in return for South African withdrawal from neighboring Namibia. Now Mr. Savimbi's essentially tribal group is being called "freedom fighters."

It adds the mind to try to figure out why any American administration would want to take over from South Africa the cost and serious political disadvantage of helping Mr. Savimbi. Aid would have to go through South African-controlled Namibia anyway, and the United States would share South Africa's opprobrium in the rest of Africa.

Administration experts are well aware that Mr. Savimbi cannot triumph in Angola. He is essentially limited to his tribal base, and if he is reinforced to the point of threatening the Luanda regime, the Cubans, with Soviet backing, would reinforce the government. This is a no-win war.

All three of these cases not only reflect a backing down from policies developed with difficult and delicate compromise within the U.S. government. They also provoke the question of what U.S. policy is now.

But the answer offered from many parts of Washington is just another question: Whose policy are you talking about? In each case there are some people in the administration who want to stick with the decisions made, who want to pursue negotiations, and there are some people who don't, who will use any excuse or ploy available to break away from the search for agreements. The two sides manage to give the appearance of an administration position by agreeing on short-term tactics.

The Nicaraguan contras, for example, while they are really in conflict on the longer-term goals of the operations. So nobody knows where the United States really stands on these important issues, and no announcement can be considered definitive. The battle of the Potomac goes on and on.

There has been a flurry of congressional attempts to take foreign policy initiatives in the last few years due to this vacuum and indecision. But Congress is just not equipped to take the lead. It can support or oppose, and grumble when it feels it has been tricked. That is what is happening.

The New York Times

A President In Trouble As Premier

By Michael Barone

This is the second of two articles.

WASHINGTON — Ronald Reagan was not forced to break up America's governing coalition last May. It was crumbling along just fine, working to produce a budget with a deficit a good deal smaller than what Mr. Reagan proposed. Just about every major party (except by Democrats) not to cut Social Security; he did not want to commit to any cuts in the Pentagon's budget; he wanted to keep blaming the deficit on domestic spending by Congress. Most of all, he did not want a tax increase.

Suddenly he was acting like a prime minister taming a recalcitrant Chamber of Deputies rather than as a president in his own right.

The president in Italy is a ceremonial figure, a kind of constitutional monarch who functions politically as no more than a referee. Much of the time Ronald Reagan seems to have functioned in just this way. But on the big central issue he evidently sensed that the grand coalition's underlying policy was to raise taxes. So he decided to derail the coalition and take on the presidency himself.

The rest of the political year has consisted of efforts by other politicians to assemble different governing coalitions, and the folding of those efforts by Ronald Reagan. The question is whether he can build a stable majority for his own policies.

In the process the focus of politics has shifted wildly from the budget resolution to tax reform to trade restrictions to the Gramm-Rudman-Hollings bill purporting to require an automatic balancing of the budget, and back to tax reform again.

The attentive reader will sense that all of these are the same thing in different guise, Proteus bobbing up first in one part of the ocean and then in another. If you can't cut the budget deficit, try to cut the trade deficit, or put through a tax bill that will end up raising revenue, or enact an automatic budget-balancing mechanism.

Mr. Reagan has had mixed success on these measures. He managed to neutralize the Democrats' initiative on trade. But in embracing the Gramm-Rudman budget-cutting initiative, and in embracing so lukewarmly the tax bill crafted by Dan Rostenkowski in response to an initiative that was technically his own, Mr. Reagan may have set an unsustainable course. He may retrieve suc-



cess this week, but he seems to have staked out positions that are unlikely to rally a steady parliamentary majority for the next three years.

Begin with trade and protectionism, which for a moment were elevated to the rank of number one issue. The Democrats seized control of an important ministry and tried to make it the center of political attention. Heavyweights in Congress had come up with a punitive trade bill last summer. In the fall Mr. Reagan took over the issue. Treasury Secretary James Baker got the Plaza Hotel

agreement to lower the value of the dollar. Exports became cheaper, imports more expensive. The problem is not solved but it is eased. Mr. Baker, who knows he is Mr. Reagan's man, holds the Trade Ministry now.

Tax reform began last spring also as a Reagan initiative, managed by Mr. Baker. Mr. Reagan's top priority, it is beginning to be clear to almost everyone, is to avoid a tax increase.

On the tax bill the danger was that an increase would be smuggled in by legislators eager to cut the deficit (and to hand out goodies to constituents) without paying for them. By making his insistence on revenue neutrality utterly clear from the beginning, Mr. Reagan has prevented any proposal from coming forward which raises taxes much.

Then he failed to advance the Rostenkowski tax bill when it emerged from the Ways and Means Committee. Here he seems to have had bad advice from his White House chief of staff, Donald Regan, who derailed a quick endorsement of the Rostenkowski bill on the grounds that it would irritate House Republicans and prevent them from coming forward with their own alternative.

But if anything should have been clear about the House Republicans, it

was that they could not come up with an alternative that could pass the Democratic House. And the House Republicans are not the president's natural allies on this issue (or on most others); they are a beleaguered and resentful minority, out of the loop on most issues while other Republicans all over town are running things.

So they jumped with glee at the chance to beat something, even if it meant beating not Tip O'Neill but Ronald Reagan. They voted against him on tax reform. The fact was that House Republicans and House Democrats could allow the tax bill to die without any harm to themselves. The one hurt would be Ronald Reagan, who would have missed his chance to get a tax program and forge a coalition to help him on other matters.

Mr. Reagan chose, knowingly or not, to risk losing tax reform and to embrace Gramm-Rudman. The latter decision could be disastrous.

Originally the Senate version of Gramm-Rudman looked good to Mr. Reagan because it promised politically painless domestic spending cuts and seemed to impose no pressure for a tax increase. But then Tip O'Neill advanced his claim to the Budget Ministry. He attacked Gramm-Rudman as self-protection for Senate Republicans, since it required no cuts before the 1986 elections in which 22 Republican Senate seats are up.

The Reagan White House and just about everyone else failed to anticipate the brilliant O'Neill leadership that got just about every House Democrat behind the Democratic alternative. The Democrats' version of Gramm-Rudman would have kicked into effect well before the 1986 election and put huge pressure on Mr. Reagan by imposing deep cuts in defense unless he compromised on taxes or domestic spending.

Now the Senate Republicans and the House Democrats have split the difference between them and passed Gramm-Rudman into law. Mr. Reagan has endorsed it—showing himself capable of renegeing and leaving Senate Republicans out on a limb. Gramm-Rudman has created new problems that might revive the grand coalition, which is still smarting from its defeat. Its solutions to the dislocations caused by mandatory budget

cuts are easily imagined: a continued slowdown of military spending; some cuts in domestic spending, too, but not a lot; a tax increase.

Mr. Reagan can survive continuing controversy over the budget pretty well. He and, as 1984 shows, the voters are willing to endure the admitted evil effects of the deficits in preference to many alternatives.

Moreover, Mr. Reagan's lack of the sort of landmark accomplishment that American historians and journalists have come to expect of successful presidents is not fatal. He seeks to produce conditions, not pass laws or sign treaties; facts on the ground, not pieces of paper.

But what he has done, by letting tax reform become so precarious and by embracing Gramm-Rudman, is to make it much more difficult for him to sustain this fourth parliamentary government of his presidential term.

The Washington Post

LETTERS TO THE EDITOR

Not 'Generous Ransom'

The editorial "Hold Marcos to His Pledge" (Dec. 14) accuses the Philippines of having "squeezed generous ransom in successive leases." But the sums pledged by Presidents Carter and Reagan—\$500 million and \$900 million over five years—for U.S. use of two important bases are insignificant compared to what the U.S. Congress has generously provided to Israel and Egypt, where there are no such U.S. military facilities. For lesser facilities in Turkey and Greece, Congress has liberally provided \$644 million and \$450 million yearly.

PACIFICCO A. CASTRO, Acting Foreign Minister, Manila.

Come to Pretoria and See

One wonders how Anthony Lewis researched his claim that "many South African blacks 'now refuse even to attend U.S. diplomatic functions.'" "Get on the Side of Certain Change in South Africa" (Dec. 6) obviously not by attending such functions, which are in fact attended by

Less Money Will Mean Less Power

By Philip Geyelin

WASHINGTON — The budget-balancing process is going to force an agonizing reappraisal of priorities for U.S. domestic programs and national security. Nobody can tell what the domestic repercussions will be, but implications for foreign policy are somewhat easier to foresee.

Just as some retrenchment is in store for a whole range of domestic programs, so there will inevitably be less money available for defense. But there is a difference: The effect of the former will reinforce Ronald Reagan's domestic doctrine. The effect of the latter on his grand design for national security will be exactly the opposite: It will undermine, raise doubts, weaken his hand.

Because appearances weigh heavily in the exercise of U.S. power and influence around the world, the adverse impression conveyed in a general way by the Gramm-Rudman legislation will matter almost as much as its nuts-and-bolts effect on defense. Already administration officials are repudiating the counter-argument that the United States can somehow suffer through Gramm-Rudman without an agonizing reappraisal of foreign policy ends and means.

But unless you really believe that Congress will wipe out several dozen domestic programs in order to meet the deficit target of \$144 billion for the next fiscal year, or that President Reagan will do a 180-degree turn on tax increases, Gramm-Rudman requires that something be trimmed from almost every line of the 1986 budget. In a fiscal sense, the defense budget over the next three years.

If that is the way it turns out, whether we are talking about the view from NATO headquarters in Brussels or the view from the Kremlin, Mr. Reagan's bright picture of an America "back and standing tall" will inevitably give way to a different perception. America may claim to be back, talking big and standing tall, but it will seem to be slumping, or wriggling, in a fiscal sense.

Michael Gorbachev may have sounded primitive in the ignorance about America that he is supposed to have displayed at the Geneva summit, but he is surely not deaf to the debate that raged over Gramm-Rudman, and still less are the West Europeans. Phrases like "wrench of folly," "the silliest thing if it weren't so tragic" or "an act of desperation" cannot have gone unnoticed. Nor can the verdict of Senator Pat Moynihan: "Gramm-Rudman is a suicide pact. We are entering into an agreement with the administration to dismantle the defenses of the United States."

Some of those are partisan words. But while the issue was still in doubt, the official spokesman for Mr. Reagan's Pentagon said that passage of Gramm-Rudman would "send a message of comfort to the Soviet Union."

Asked about it after the president had signed the bill, Secretary of Defense Casper Weinberger struggled manfully to put the best face on this "message of comfort." He conceded that a major cutback in military spending could be read by the Soviets as "a lack of will." He did not exactly go out of his way to minimize the potential damage to U.S. security.

But Mr. Weinberger is gambling that his losses in the current fiscal year (when military spending will be held to no more than zero percent real growth) can be recouped in later years. As for the way the Soviets will read the U.S. will defend on terms of interest, his answer is that the United States can point to five years of steady improvement in its defenses.

Maybe. But not even its staunchest backers would call Gramm-Rudman a show of strength. On the contrary, it was defended as the only alternative to budgetary madness that was driving the United States to ever more murderous deficits.

That is not the way a superpower with claim to a leading role on the world's stage is supposed to act. About its fiscal affairs, it is perhaps in this sense that the budget amendment will make the heaviest demands on foreign policy. What will be required of the administration is a recognition that national solvency is an element in national security.

That means recognizing limits on American power. It means knowing that big talk can backfire if the impression gets around that the United States is unable to run its money where its mouth is in Afghanistan, in Angola, in Nicaragua—or in an arms buildup that is supposed to be a prerequisite to bargaining from strength on arms control.

Washington Post Writers Group

More black community leaders than those of any other diplomatic mission.

Nor does he seem to have the foggiest notion of what progress the U.S. government has in place to identify with "black" after all, and American values: democracy, law, free trade unions, respect for human rights, education without discrimination. These are the hazards of relying on authors as prestigious as publication as Foreign Affairs to have done their homework.

HERMAN W. NICKEL, U.S. Ambassador to South Africa, Pretoria.

Nine Flights for the Dead

The U.S. military can arrange nine flights to take dead soldiers home from Newfoundland but can't spare even one C-141 to bring live troops back from the Middle East. There is never a shortage of military aircraft when the congressional tourist season begins. How about a switch: Let the air force fly the troops around, and let the junkies take the choppers.

DAN L. TRAUB, Lisbon.

Marlboro

Come to flavor



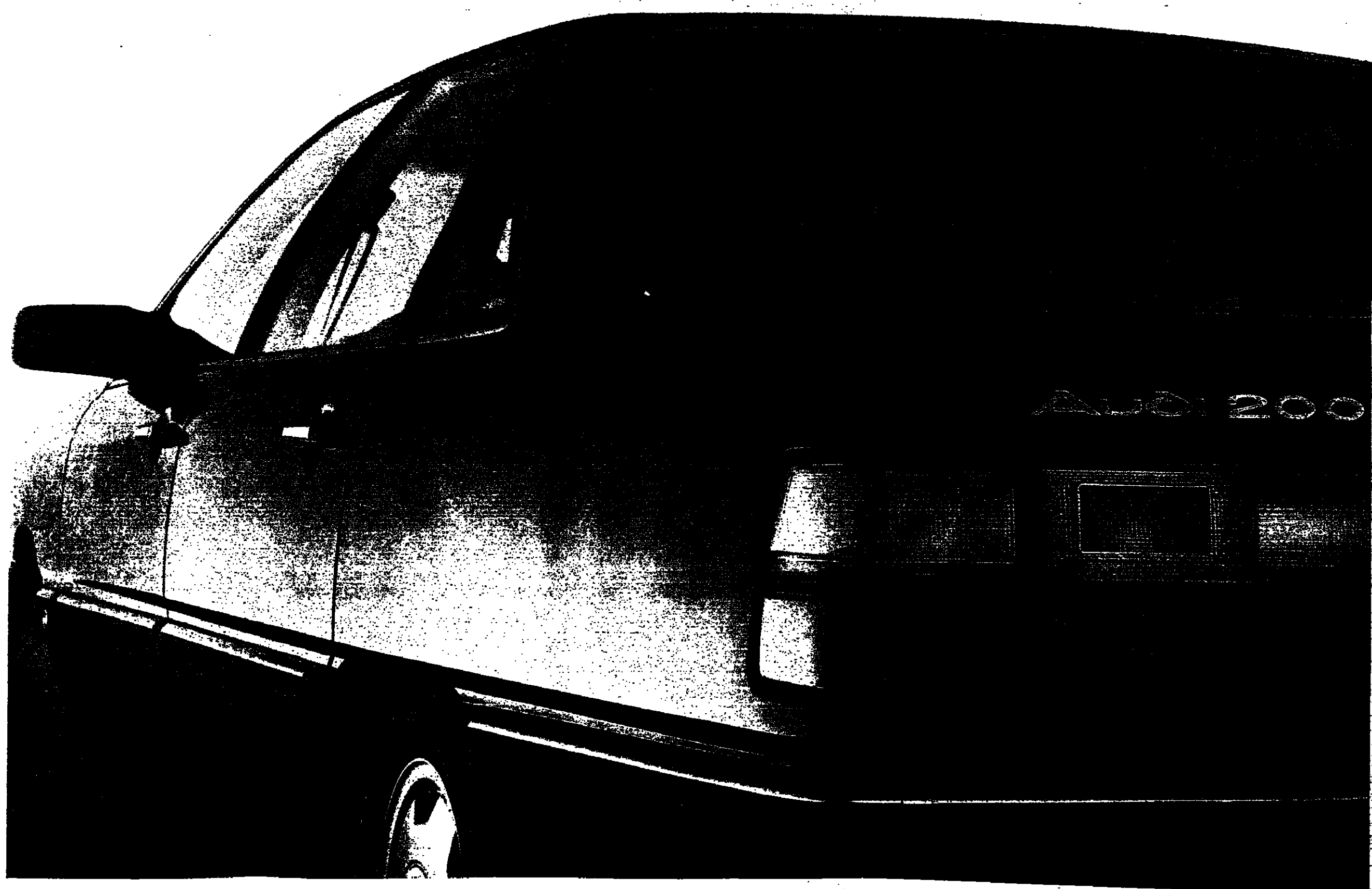
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Vorsprung durch Technik



EC Ministers Set Changes In Treaty Of Rome

By Steven J. Dryden

International Herald Tribune

BRUSSELS — European Community foreign ministers formally approved on Tuesday changes in the EC's founding treaty made earlier this month.

Italy and Denmark maintained their reservations on revisions in the 1957 treaty. Their objections are the two major obstacles to the unanimous agreement required for adoption of the changes in the Treaty of Rome.

A spokesman for the Netherlands, which takes over the EC's rotating presidency next month, said his government hopes to secure the agreement of Italy and Denmark by the end of January. The Dutch spokesman said the foreign ministers who met to resolve remaining differences made only minor alterations in the agreement, which was reached Dec. 3 in Luxembourg. The ministers approved a preamble and texts setting out the treaty revisions.

Among the revisions approved in Luxembourg were an increased use of majority voting to replace the need for unanimity, greater foreign policy cooperation and a modest increase in the powers of the European Parliament.

Italy wants more substantial powers for the parliament, while the Danish government has been bound by the objections of its own legislature to any changes in the Treaty of Rome.

A spokesman for Giulio Andreotti, the Italian foreign minister, said that the foreign ministers approved two alterations in the Luxembourg package that might meet his country's objections. One of the changes would strengthen the "direct dialogue" between the European Parliament and the EC Council, the community's chief decision-making body, the spokesman said.

The other alteration clarifies the ability of the EC to increase cooperation on monetary policy without calling an intergovernmental conference such as the one held by the community this fall, the spokesman said.

Italy's final position on the changes, the spokesman said, would depend on the opinions delivered next month by the Italian Parliament and the European Parliament. The European Parliament has said that the Luxembourg agreement gave it insufficient powers.

The position of Denmark is more delicate because of the objections of its legislature to any treaty changes, EC officials said. Several diplomats said they believed the Danish government, in effect, would have to challenge the legislature to decide whether to stay in or leave the community.



SPACE VISIT — The Naval Observatory in Washington photographed Halley's comet seeming to pass the star Gamma Piscis. The comet was 75.9 million miles from Earth, traveling at 70,000 mph. But the 3.7 magnitude star was really seven million times farther away.

Shultz, in Yugoslavia, Assails Hijacking of Achille Lauro

(Continued from Page 1)

the Iraqi authorities have rebuffed U.S. requests for his arrest.

Despite that situation, Mr. Shultz said in an airborne briefing between Budapest and Belgrade, the United States did not plan to take any action against President Saddam Hussein's Iraqi government. He specifically rejected the idea of putting Iraq back on the U.S. list of countries officially regarded as aiding terrorism.

Iraq was removed from the terrorism list three years ago. Since then, Washington, which has tilted toward Iraq in its Gulf war against Iran and which has sought Iraqi support for efforts to rejuvenate the Middle East peace process, has insisted that Iraq had stopped aiding and harboring terrorist groups. Belgrade from Budapest, Mr. Shultz said:

"We certainly have raised this issue with the Iraqis. I think it's a real problem. With respect to Yugoslavia, he passed through here.

With respect to Iraq, he seems to have been welcomed there. That's different, and it constitutes much more of a problem."

When asked what action the United States plans, Mr. Shultz said: "We're not in a position to go and do something about it. We're not going to take some kind of military action or something. We protest. We make our views known about it."

He then was asked whether Iraq would be put back on the terrorism list as its apparent harboring of Mr. Abbas appears to fall squarely within the criteria specified by Congress for putting a country in that category. The U.S. government has offered a \$250,000 reward for Mr. Abbas's capture.

"We don't have any plan to do that," Mr. Shultz said. "These people like Abbas move around from one country to another. We're not going to put every country he goes to on the terrorist list."

Britain Unveils Plan to Revamp Welfare System

The Associated Press

LONDON — Britain's Conservative government unveiled details on Monday of a plan to modernize the country's social welfare system and make it more economical.

The opposition said the proposed changes would hurt the poor. Calling the plan the most significant reform of the socialist-inspired welfare system since it began 40 years ago, the social services secretary, Norman Fowler, said the changes would cut costs and help those most in need. Most of the changes would not go into effect until 1988.

"The aim will be to achieve a modern social security system directing help where that help is needed," Mr. Fowler told the House of Commons in announcing the plans.

But Michael Meacher, a spokesman for the opposition Labor Party, said the government was "targeting cuts on the very poorest." He contended that 1.75 million more people would lose from the changes than would gain, while another critic estimated that as many as four million would be worse off. "When this is put to the British people, as it now must be, at the

next general election," Mr. Meacher said, "it will be a central reason why this government is swept from power."

The government is trying now to halve the huge cost of the pension plan, which it says would rise from £200 million (\$288 million) at present to £25.5 billion by the year 2033 unless changes are made.

The government proposes to substantially reduce benefits from the supplementary state pension plans, while encouraging individuals to buy private pension plans. Widows' pensions would be cut in half.

Spending on housing benefits would be reduced by about \$450 million but 200,000 low-income working families with children would receive a new family credit. Disabled people with low incomes also would benefit from special premiums, Mr. Fowler said.

The government would abolish the automatic maternity grant to every mother, replacing it with a bigger grant to mothers from low-income families only.

People on welfare would have to pay at least 20 percent of their

property taxes, instead of having them paid by the government.

Sir Terence Beckett, director general of the Confederation of British Industry, said the reform package "shows sensible thinking from a government which has wisely listened to advice."

Norman Willis, general secretary of the Trade Union Congress, an umbrella group, said of the reform package, "Instead of addressing itself to the issue of present and future social needs, it has embarked on a cost-cutting exercise."

Comecon Plans a Technology Drive

Reuters

MOSCOW — Soviet-bloc prime ministers met Tuesday to put the finishing touches to a plan for developing the new technology needed to modernize the Communist economies.

The 15-year program drawn up by the Comecon economic grouping is seen by Western experts as a reflection of the importance that the Soviet leader, Mikhail S. Gorbachev, attaches to closing the East-West "technology gap."

The prime ministers' meeting was called six months ahead of the next scheduled Comecon session, suggesting that the Kremlin was impatient over delays in devising the plan.

Some Western diplomats say that such a plan is vital if the Soviet Union is to match U.S. efforts in developing a space-based missile defense.

The meeting, chaired by Nikolai I. Ryzhkov of the Soviet Union, was attended by the heads of government of Czechoslovakia, East Germany, Bulgaria, Hungary, Romania, Poland and Mongolia as well as deputy prime ministers from Vietnam and Cuba.

In a speech summarized by the Tass news agency, Mr. Ryzhkov made it clear that there had been problems in drawing up the program. "It is perfectly obvious that it has not been simple work, taking the appropriate and complex decisions," he said.

Diplomats said the delays stemmed from longstanding differences among Comecon members over the extent to which they should coordinate their economies.

The Kremlin has sought greater coordination within Comecon, long devoted purely to trading, requiring member countries to specialize in certain fields and tailor

their industrial plans to the needs of all members and to the Soviet Union in particular.

Moscow has used Eastern Europe's heavy dependence on Soviet oil as a lever to bring about closer alignment of industrial plans, investment in Soviet energy industries and a higher quality of exports to the Soviet Union.

Uganda Peace Pact Is Signed

(Continued from Page 1)

chance of "transcending the trapings of tribalism, regionalism and religious differences" that had spawned "wanton" violence in the country for decades.

In the past 15 years, the infrastructure of Uganda has crumbled as foreign investors have abandoned what was once one of the most developed countries in East Africa.

Lieutenant General Tito Okello, 71, the head of the Ugandan military government, said he was confident that the accord would bring "stability, prosperity, national unity and democracy" to Uganda.

Mr. Museveni, who led a guerrilla war for nearly four years against Mr. Obote's government before taking on General Okello's forces, vowed to abide by the provisions of the agreement. But he said that it would "have no purpose" until government soldiers who had committed atrocities against civilians were punished.

Human rights groups have estimated that more than a half million Ugandans have disappeared during the past 15 years.

The National Resistance Army greeted the peace agreement Tuesday by releasing 39 hostages from a Uganda Airlines flight hijacked on Nov. 10.

Delegate of Red Cross Shot to Death in Angola

Reuters

GENEVA — A Swiss delegate of the International Committee of the Red Cross was shot to death Monday night on a beach near Lobito in Angola, the Red Cross said Tuesday.

Marc Blaser, 21, had gone to Angola in October as a radio operator on his first mission for the humanitarian organization. The Red Cross said an inquiry had been opened to determine the circumstances of the attack.

Gandhi's Party Is Trailing in Assam

United Press International

GUWAHATI, India — The ruling party of Prime Minister Rajiv Gandhi appeared Tuesday to be headed for a solid electoral defeat in the racially torn state of Assam.

Early returns from Monday's peaceful voting showed Mr. Gandhi's Congress (I) Party running second in a three-way race despite its four-day campaign swing through the state last week.

Election officials in Guwahati, the state capital, said that with more than half the vote counted for the 124 state assembly seats, the Assam Gana Parishad, or Assam People's Front, was leading in 38 constituencies, and Congress (I) led in 20.

Minority parties, such as the Communists and the tribal and immigrant parties, were leading in 22 constituencies.

Officials said that no trend had emerged in the 14 contested national Parliament seats.

If the Congress (I) Party loses most of the state assembly races, it could be the second major defeat for the prime minister's party this year. On Sept. 25, his ruling party

was swept aside in a landslide in the northern state of Punjab by the Sikh Akali Dal party.

The election in Assam was the first since February 1983, when voting led to violence among the state's volatile mixture of Hindus, Moslems and tribal groups. About 4,000 people were killed in the violence.

The recent campaign centered on a single issue: Mr. Gandhi's agreement with the majority Hindus on Aug. 15 to expel more than two million Moslem immigrants who have entered Assam from Bangladesh since 1971. The accord calls for Moslems who entered Assam from 1966 to 1971 to be disenfranchised for 10 years.

Many of Assam's 8.5 million Hindus, who are represented by the newly formed Assam Gana Parishad political party, praised the accord.

The state's 5 million Moslems, who were the main target of the 1983 violence, opposed the pact, saying it skirted the issue of where they would go when they left Assam. Bangladesh has said it will not take them back.

As expected, Monday's voting was divided mainly along racial lines. Assam Gana Parishad attracted most of the Hindu votes while Congress (I) and the United Minorities Front captured the votes of Moslems and other minorities.

About 80 percent of Assam's 9.8 million voters cast ballots Monday.

11 Killed in Explosion Of Gas Tank in Colorado

The Associated Press

GLENWOOD SPRINGS, Colorado — Firefighters searched the smoldering rubble of a two-story gas company Tuesday for a missing person after a propane tank explosion and fire that killed 11 persons and injured 13.

Twenty-seven employees of the Rocky Mountain Natural Gas Co. in this west-central Colorado town were believed to be in the building when the explosion occurred Monday morning. Two persons escaped injury.

Crime Figure Slain in N.Y.

(Continued from Page 1)

said that they believed that John Gotti, who had been a major leader in the Dellacore group, would now try to take control of the entire Gambino group. Mr. Gotti is waiting trial in federal district court in Brooklyn on charges of narcotics trafficking and racketeering.

Federal officials who monitor organized crime said the death of Mr. Dellacore apparently cleared the way for younger leaders to contest the Castellano segment for control of the group, which had been damaged by two major federal indictments since last spring. Mr. Castellano, 73, who lived on Staten Island, had been on trial with nine other defendants in federal district court in Manhattan last September on charges of operating a racketeering ring and conspiring to commit murders and other crimes.

According to law enforcement authorities, the Gambino organization is involved in gambling, loan sharking, labor racketeering, drug trafficking and other illegal activities in the states of New York, New Jersey and Pennsylvania and the cities of Atlantic City, New Jersey, and Las Vegas.

New York's 5 Mafia Groups

New York Times Service

NEW YORK — For more than three decades, five major organized-crime syndicates in the New York area, collectively called the Mafia or La Cosa Nostra, have been known to law enforcement officials.

The leaders of the five groups were indicted this year for being members of a "commission" that federal prosecutors say governs the groups' participation in such illegal activities as narcotics trafficking, loan sharking, gambling, labor racketeering, automobile theft, truck hijacking and extortion.

Paul Castellano, who was shot to death Monday, was reputed to be the head of the largest of the five groups, the Gambino group.

According to a 1983 estimate by the New York Police Department, the Gambino group has 250 full members and 550 associates. The police report termed it "the largest, most influential criminal organization in New York City."

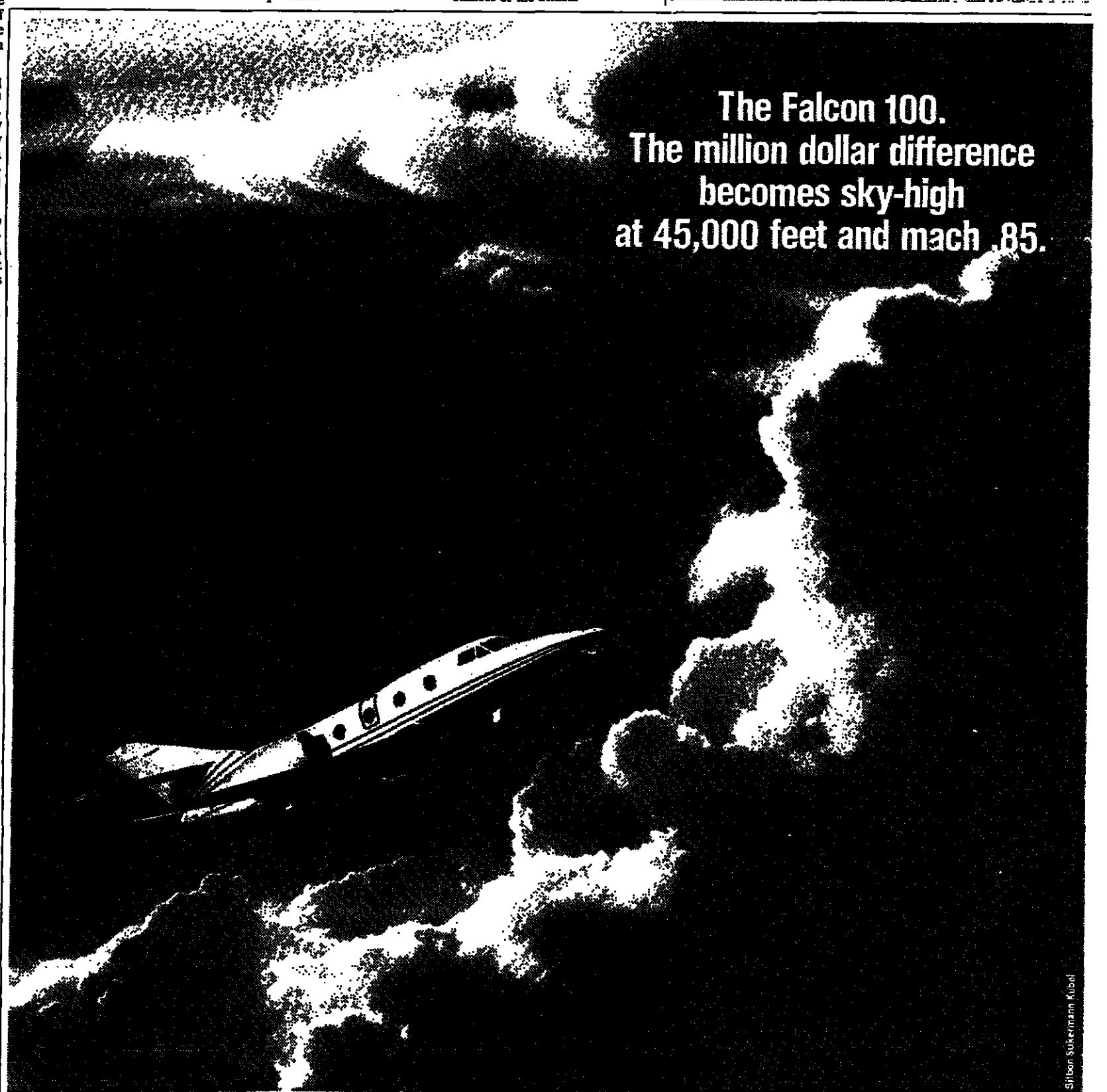
Mr. Castellano was a cousin and brother-in-law of Carlo Gambino, who headed the group that bears his name from 1957 until his death of natural causes in 1976.

All five crime groups are headed by successors to the founders. Only one of the founders, Joseph Bonanno, is still alive. Mr. Bonanno, now 80, has been inactive on the New York scene since the mid-1950s. The Bonanno group is currently headed by Philip Rastelli, 67, of Brooklyn, according to the federal racketeering indictment under which Mr. Castellano, Mr. Rastelli and other alleged Mafia leaders were put on trial.

A third group, named after Joseph A. Colombo, has as its acting head Genaro Langella, also known as Gerry Lang, according to federal authorities. Mr. Langella, 46, lives in Brooklyn. He is another of the defendants in the ongoing federal racketeering trial in Manhattan. Mr. Colombo died in 1978.

A fourth New York organized-crime group identified by the authorities is named for Thomas Lucchese. Its present leader is Anthony Corallo, who is 72 and lives in South Oyster Bay Cove, New York.

The fifth group is named for Vito Genovese, who died in 1969 while serving a 15-year sentence on narcotics charges. The group's present leader, according to the federal indictment, is Anthony Salerno, 73, of Rhinebeck, New York.



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Business takes off with Falcon

INSIGHTS

Space-Based Defense Research Progresses: The Vision vs. the Reality

(Continued from Page 1)

Some in the hope that this will kill off prospects for an arms control process that they say harms U.S. interests. Some State Department officials want to use the SDI as a bargaining chip for cuts in Soviet offensive forces.

The parties within the administration and Congress to these various disputes — over the goals of defending people or weapons, standards for judging prospects and arms control — have reached a kind of equilibrium. Neither side prevails. The result is that the established policy and the programs chug right along, more slowly than if there were unity, but forward nonetheless. Even some Soviet officials wonder aloud whether the march toward space defenses can be stopped.

The single most compelling reason for this is the force of Mr. Reagan's commitment and vision of transforming nuclear strategy from deterrence based on the threat of retaliation to peace based on effective defense. Administration skeptics say they dare not question this vision. Legislators raise plenty of questions, but say they think it necessary for reasons of prudence and politics to approve funds to keep the initiative going.

There also is the cloudiness of the critics' position. The critics say they favor only research, and the U.S. administration responds that it is doing only research. The critics say defenses are unaffordable, unworkable and bad, but that case is difficult to make conclusively before more research is done.

Businesses Are Lured By Lucrative Contracts

And there is the allure of exotic technologies. So much that seemed impossible in the past is a reality now. Businesses and research institutions are being drawn into the space-research orbit by lucrative contracts. European allies who express alarm about arms control and the undermining of alliance strategy are tantalized by the research money and technology.

But there also are countervailing pressures. In particular, Congress and the administration will be wrestling with increased efforts to cut military spending generally.

Nonetheless, the consensus is that a continuing and probably extensive research effort is virtually inevitable. This is particularly true as long as the Soviet Union also seems bent on some sort of space- or land-based missile defense, although the precise nature of what that remains unclear.

Representative Les Aspin, a Wisconsin Democrat who is chairman of the House Armed Services Committee, said the "commitment to SDI has grown substantially, even though its feasibility and good sense have been no better demonstrated today than they were when the president first spoke of the idea."

"There's the feeling that there's no really big decision to make now because it's just a research program," he said.

"Given all the factors," he said, "we have no real other choice than to do this, which means keeping the program going but at a slower pace."

In the process, Mr. Aspin said, "the real danger is that we will end up destroying the idea of deterrence without achieving the perfect world of defense."

In March 1983, when Mr. Reagan began his program, he attacked the traditional theory of deterrence by retaliation as immoral and unreliable. His goal was grand, to make nuclear weapons "impotent and obsolete."

Several U.S. officials now acknowledge that this went too far too fast. Even if Mr. Reagan's vision comes to pass, it might be 20 years or more away. In the meantime, the United States would have to rely on offensive forces and deterrence through retaliation. So, officials say, they began to tone down their public statements somewhat, to "enhance deterrence."

Along the way, the goals were left in some confusion. On May 30, according to the officials, Mr. Reagan issued National Security Decision Directive 172. It states bluntly: "U.S. policy supports the basic principles that our existing method of deterrence and NATO's strategy of flexible response remain fully valid, and must be fully supported as long as there is no more effective alternative for preventing war."

Based on this, the Reagan administration published a special report in June. At one point, in accord with the directive, it proclaimed that "successful SDI research and development of defense options would not lead to abandonment of deterrence but rather to an enhancement of deterrence and an evolution in the weapons of deterrence through the contribution of defensive systems."

But the original goal also found its way into the report: "The purpose of the defensive options we seek is clear — to find a means to destroy attacking ballistic missiles before they can reach any of their potential targets." The emphasis, the report said, is on "eliminating the general threat posed by ballistic missiles."

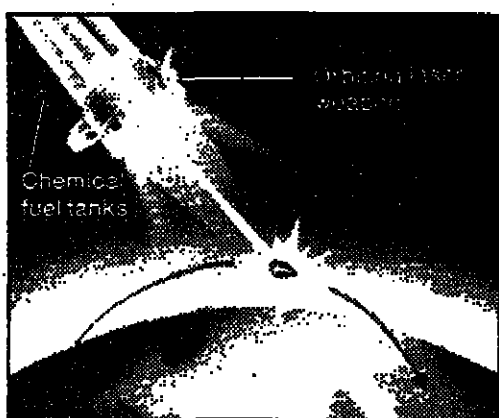
The report added that the "goal of our research is not, and cannot be, simply to protect our retaliatory forces from attack."

Choice of Defending Missile Silos or People

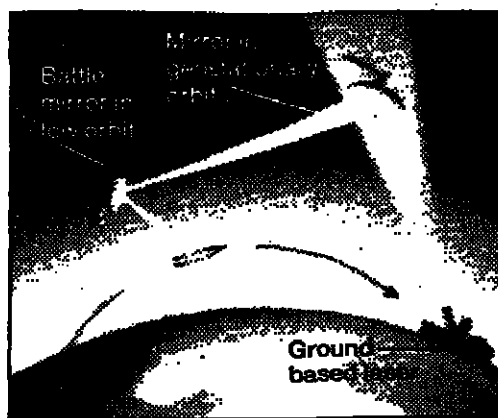
Tucked away inside this larger debate is a more immediate question, namely whether initial SDI deployments should be used to defend missile silos and other military targets or whether they should defend people.

U.S. officials are at pains to deny that they

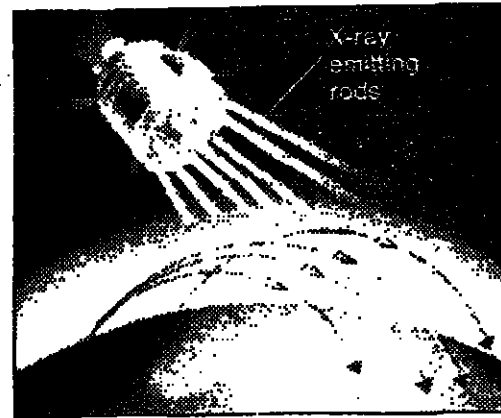
Progress and Problems: The New Exotic Arms



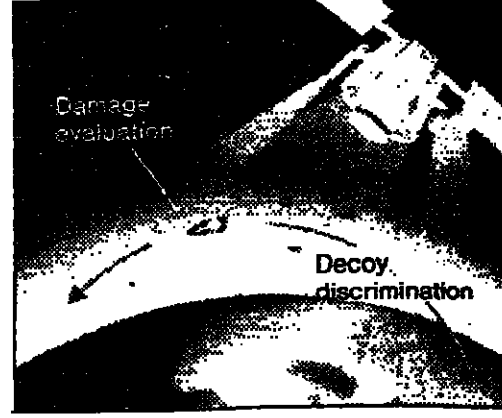
Space-Based Lasers: In theory, these would combine chemicals in the manner of rocket engines to fire beams of concentrated laser energy through space. Lately, they have lost luster because of fears about the vulnerability of space-based objects.



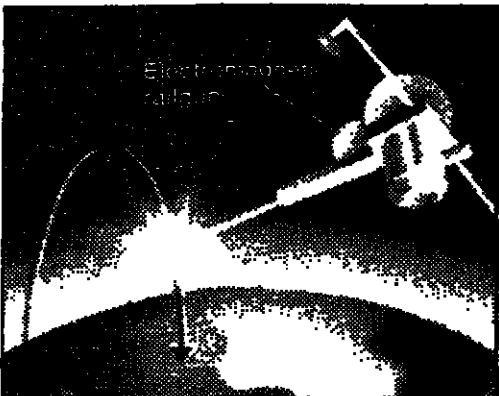
Ground-Based Lasers: These devices, especially free-electron lasers, would bounce beams off orbiting "battle mirrors" toward enemy missiles. Such systems, which are cheaper because heavy lasers need not be lifted into space, are viewed as less vulnerable to attack.



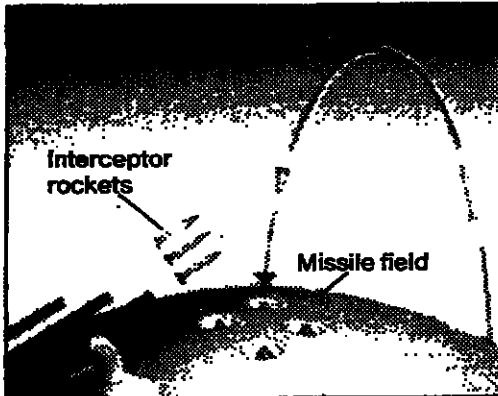
X-Ray Lasers: Powered by nuclear bombs, these would fire beams of X-rays at targets before consuming themselves in fireballs. Small and light, they could be "popped up" into space as needed. But problems in their testing have cooled enthusiasm.



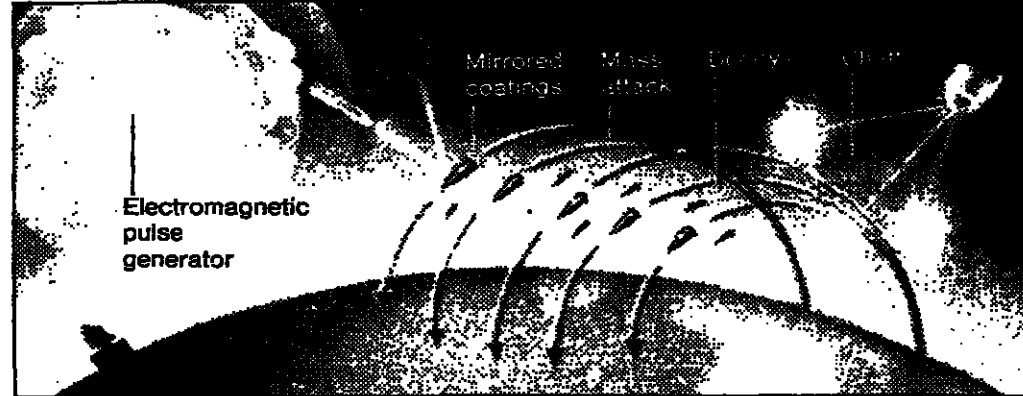
Space Sensors: These "eyes" would be critical for coordinating battles and knowing which missiles and warheads had slipped through the defensive shield. An emerging hurdle is seen as quick digestion of sensor data and its relay to military commanders.



Railguns: These devices, based in space, would use electromagnetic fields to accelerate and launch "smart" projectiles to home in on enemy boosters. The small projectiles are envisioned as something similar to those recently tested in American antisatellite weapon.



Ground-Based Interceptors: Using conventional rocket technology, these would be used to destroy enemy warheads during final phase of their flight, just before they hit targets. Such interceptors are often viewed as ideal for defending fields of American missiles.



Countermeasures: An enemy could try to outwit a shield by attacking it or by complicating its job. Chaff dropped from missiles could confuse space-based radars and sensors. Deceits could complicate targeting. Missiles and warheads with mirror-like coatings could reflect laser

beams. Most challenging of all, an exploding nuclear warhead, set off accidentally by defender or intentionally by enemy, would send out electromagnetic pulses that would wreak havoc in electrical systems in space and on earth.

Drawings by Jim Lofgren/The New York Times

have any intent of turning Mr. Reagan's vision away from defending people toward defending weapons. Many of them say they think this would knock the bottom out of public support for the effort. But some legislators, like Mr. Aspin and Senator Albert Gore Jr., a Tennessee Democrat, maintain that protecting military targets is the real goal.

Talking of the first stages of deployment, Fred C. Ikle, undersecretary of defense for policy, said, "The first impact of ballistic missile defense of the new technology rather than the traditional defense will be to make it more difficult for the aggressor to destroy all missile silos and command and control centers."

The publicly expressed concerns and the logic of U.S. policy have tended to go more in the direction of defending military targets from the beginning. When Mr. Reagan spoke of "the window of vulnerability" in his first years in office, that is what he meant — that U.S. missiles and command centers were vulnerable and needed to be defended. This problem has never been solved, although two years ago a Reagan commission on strategic forces said that the problem never existed in the first place.

Nevertheless, many top U.S. officials call this their No. 1 strategic worry, and say missile defense is the only answer.

They reason that the best way to solve this problem is to get Moscow to get rid of its large land-based missiles, but the Russians will not go along.

A second possible solution is to deploy mobile missiles, which would be less vulnerable. But Washington has proposed banning these because Moscow would have an advantage, being able to deploy them anywhere in the Soviet Union.

A third possible solution is greater reliance on submarine-launched missiles. But there is no telling how long submarines can remain invulnerable.

That leaves Washington, according to this reasoning, with its fourth and last option: defending its missile sites.

A senior U.S. arms control adviser said in an interview that "without SDI we have real problems sustaining deterrence."

In the absence of further offensive agreements, this adviser and others contended that laying the basis for population defense could ultimately force each side into offensive build-ups.

Even as the debate over protecting people or weapons continues, a new and equally contentious one is brewing over judging progress on research. Mr. Reagan's May directive says, "Within the SDI research program, we will judge defenses to be desirable only if they are survivable and cost-effective at the margin."

Whether the system will be able to survive an attack is a question that will not be answered for

some time. In the meantime, SDI progress was to be determined by whether research would show that it would be cheaper at the margin — that is, after all the basics are paid for — to add a unit of defense or an offensive warhead.

The notion here is that if adding defenses would be less expensive, defenses would make no sense. Mr. Nitze, the State Department's senior arms-control adviser, first used this criterion a year ago as a key test of the system's prospective cost-effectiveness.

But on Oct. 31, before the Senate Foreign Relations Committee, Mr. Weinberger was asked about this idea.

He responded: "Well, I have to say, senator, that I really do not know what cost-effective at the margin means. It is one of those nice phrases that rolls around easily off the tongue and people nod rather approvingly because it sounds rather profound."

"I have the greatest admiration for Ambassador Nitze, but I do not know specifically what he has in mind with that. If he means it is less expensive to build strategic defenses than continually to engage in trying to add offensive systems, I would say the syllogism proves itself. It is clearly less expensive because the defense can, in effect, ultimately, if it is as effective as we hope it is, make it quite apparent that further offensive systems are not useful."

Richard N. Perle, assistant secretary of defense for international security policy, sought to explain this further in an interview by saying that Mr. Weinberger "just did not want cost-effectiveness to be the sole criterion, and that he wanted to make people see the difficulties in interpretation of cost-effectiveness."

Mr. Gore said: "Any decision to discard this criterion would strip the program and the concept of its last shred of intellectual legitimacy. It would only stimulate a race to deploy offensive countermeasures. This was the realization that led us to the ABM treaty in the first place. If they do this, they're saying, 'Damn logic, damn reasoned debate, full speed ahead!'"

How to Switch Strategy From Offense to Defense

As these problems are resolved, Washington also will have to tackle the question that has given official planners the most trouble: namely, how to make the transition from a world dominated by offensive nuclear forces to one dominated by defenses.

For four decades, deterrence has rested on the idea that no matter which side struck first and no matter how vigorous the blow, the other could and would retaliate with a devastating blow. Thus, both would know there could be no meaningful victory, and neither would strike first. Washington contends that deterrence

based on the threat of mutual annihilation is immoral. Further, it insists that technologies in the making will allow Moscow to make first strikes that could be successful.

The transition period, in which Washington envisages a combination of offenses and defenses, could last 10, 20 or 30 years. In the opinion of many, like Mr. Aspin, this period "would be far more dangerous and unstable than anything we've lived through so far."

The nightmare some imagine is that, for the first time, nuclear war might be made thinkable, and military planners would be able to calculate nuclear victory as follows: a first strike that knocks out more than 90 percent of the victim's offensive nuclear forces, plus defenses good enough to blunt most of what remained for a retaliatory blow.

Mr. Ikle and Mr. Perle say defenses will make nuclear war less thinkable, not more so. "From the moment deployment of defenses begins," Mr. Perle said, "you've complicated Soviet calculations needed for a first strike. Because of the defenses, Moscow could not count on being able to destroy enough of the retaliatory forces to make a first strike worthwhile."

But from a wide range of U.S. military and civilian planners, it appears that, as one of them put it, "We have not begun to think about, let alone explain to others, exactly what combinations of offenses and defenses would end up making the balance more or less stable."

Besides, the general view among these experts is that the transition from offenses to defenses could not be made safely without Russian cooperation.

Persuading Moscow To Accept SDI Plan

Washington's public position on getting Soviet cooperation is upbeat. Mr. Ikle said agreement "won't come soon," but added: "In the long term, it is far more plausible that the Soviets will agree with us on the new strategic order that eliminates mass destruction of the Soviet Union if nuclear war were to break out."

To bring Moscow along, Mr. Reagan has offered to share SDI technology, although in private conversations, few in the Reagan administration say this would be plausible.

Mr. Reagan also has ordered that all SDI programs be conducted in accordance with a "strict interpretation" of the Anti-Ballistic Missile Treaty. Even critics of the program concede that this strictness has been followed, with the arguable exception of one or two planned tests. The SDI testing program has been limited to subcomponents, as distinguished from anti-ballistic missile components or systems themselves.

This strictness has been followed despite Washington's assertion that the treaty actually

allows development and testing of components and full systems of the new technologies.

Many arms experts dispute this interpretation, among them Gerard C. Smith, the chief negotiator of the treaty. But the matter remains moot as long as the White House continues to say it will not avail itself of the supposed legal rights.

In any event, Mr. Reagan tried to convince Mr. Gorbachev of the virtues of space-based defenses at their meeting in Geneva last month. By all accounts, he got nowhere. Moscow's position remains that it will agree to cuts in strategic nuclear forces only if Washington agrees to restrict SDI to laboratory research.

As far as Mr. Smith is concerned, these positions will continue to block a treaty. A sizable number of U.S. officials agree with him. "The alternatives are clear: arms control or a shot at developing defenses," Mr. Smith said. "As long as the president sticks to his position, we will have no arms treaty."

Even if Moscow were to show interest in negotiating a transition from offense to defense, it is far from clear that the Reagan administration is in a position to lay out how to do so.

As Mr. Ikle said: "It's hard to talk to the Soviets about something we ourselves haven't thought through completely. We could discuss the transition only in the broadest terms."

He added that the negotiations would be so "immensely complex" that "it might be prudent to steer this through secret arrangements" rather than through a signed treaty.

The betting inside and outside the Reagan administration is that Moscow's most likely response to SDI development will continue to be threats of more missile deployments. That view was bolstered inadvertently in a letter Mr. Weinberger sent to Mr. Reagan just before the summit meeting.

In it, Mr. Weinberger wrote that if Moscow were to deploy defenses, "even a probable territorial defense," such a development "would require us to increase the number of our offensive forces." This stands in direct contrast to Washington's public position, a basic principle of its negotiating stance, that defenses should make it easier to reduce offensive forces.

March of Technology Eroding Arms Control

With the arms talks stalemated, one-sided decisions by both nations and the march of technology are moving to erode the old order of the Anti-Ballistic Missile Treaty, the world in which the superpowers agreed to maintain peace through the threat of mutual annihilation rather than through defenses.

That was a major conclusion of a recent report by the Office of Technology Assessment,

a research arm of Congress. "The inherent limitations of language and the rapid pace of technology," the report said, "make it impossible to develop clear, unambiguous and objective standards by which to measure all possible research programs" covered by the treaty.

One of many examples the report cites is one element of the space-based defense system called the "airborne optical adjunct." The Pentagon plans to test this element to determine the feasibility of using optical sensors from an aircraft. Calling the element an adjunct or a sub-component, the report says, "depends less on objective determinations of capability than on how one defines those terms."

The report also notes Moscow's deployment of a radar at Abalakovo, in Siberia. U.S. officials say the installation is a ballistic-missile early warning radar and say it violates the treaty stipulation that such radars can be situated only on the peripheries of the two nations.

The treaty permits space-tracking radars to be placed anywhere, and does not define the two kinds of radars. Moscow insists the Abalakovo radar is for space tracking and thus is not a treaty violation. There is no disputing the fact that the deployment of such radars in numbers in both countries would clearly defeat the purpose of the treaty.

Also, because the treaty only limits defenses against strategic, or long-range, missiles, Moscow has moved sharply to develop ballistic missile systems for use against medium-range missiles, sometimes known as anti-tactical systems. Washington now is talking about developing its own weapons against medium-range missiles.

The report also points to "the great erosion" between anti-satellite technologies and anti-ballistic missile technologies. Moscow has a mid-range anti-satellite weapon, and Washington is testing a more advanced one. Moscow has proposed a ban and Washington has rejected the idea.

The great loophole in the ABM Treaty, Mr. Smith said, "is not whether it permits the development of new exotic technologies, but whether, under the guise of anti-satellite weapons and anti-tactical ballistic missile systems and radars, anti-ballistic missile defenses will emerge anyway. As I understand, the administration intends to do just this." U.S. officials deny that this is their purpose, but acknowledge that they plan to move ahead in these areas. Moscow has already done so.

Amid all the complexities and counterarguments, one point is clear: In the absence of new agreements to close gray areas in old treaties and to ban or limit the development of new technologies, anti-ballistic missile capabilities will increase significantly on both sides in the coming decade.

TOMORROW: The rift among SDI researchers

Anti-Foreigner Sentiment Boosts Swiss Rightists, but Shift Is Seen as Temporary

By Lisa Schlein

International Herald Tribune

GENEVA — Despite unexpected victories by two rightist parties in parliamentary elections in Geneva and Lausanne this fall, political observers do not believe Switzerland is moving very far to the right.

Instead they interpret the vote as part of the regular swing of Swiss political sentiment over the last two decades.

In the overwhelmingly successful campaigns of both the Vigilance Party in Geneva and the National Action Party in Lausanne, foreign residents of all kinds — refugees, foreign workers, international civil servants and executives with multinational companies — were blamed for the severe housing shortage in the two cities. Campaign posters and literature proclaimed that the Swiss were "fed up with too many false refugees, too many foreigners and too much crime." These issues were linked with "not enough housing, security or social welfare."

Well-off foreigners were accused of driving up rents and real-estate values. Political refu-

gees and foreign workers were accused of taking housing away from pensioners and low-income students and workers. The charges resulted in overwhelming victories for the two parties.

But, in a typical comment among political analysts, David Handley, a former professor of political science at the University of Geneva, said that voting for Vigilance and National Action was the public's way of saying that it was frustrated by governmental inability to solve the housing problem.

"Every time you find a situation like the housing crisis in Geneva or a decline in real income," Mr. Handley said, "the Swiss electorate is susceptible to behaving like this. People who are on the fringe of politics understand this and jump in and profit from the situation."

A similar viewpoint was expressed by Raymond Germann, director of the Institute for Advanced Studies in Public Administration in Lausanne. He said he regarded the growing number of refugees in Switzerland as having galvanized voters in favor of Vigilance and National Action.

"But it's not correct to equate rightist politics with xenophobic sentiment," he warned, noting

that people on the left as well as the right were dissatisfied.

"The electorate wanted to signal its discontent with too many foreigners and too much business speculation in Geneva," he said. "In Switzerland, it happens rather often that votes are cast to demonstrate a certain point of view. Then the next time, the logic of the votes cast is different."

Hans Tschani, a political writer, agreed, saying: "When inhabitants of a small country start to feel squeezed by too large a percentage of foreigners, they lose their sense of individual security."

Recent figures from the Bureau of Statistics of the canton of Geneva show that, as of last June, average monthly rents for a five-room apartment in a new building were 2,055 Swiss francs (about \$975). From January through September of this year, 1,735 persons applied for apartments to the Geneva Housing Bureau, a figure that does not include those who signed up with private housing agencies.

There is a precedent in Switzerland for the protest over high rents and lack of housing. In

1970, inflation, then at 4 percent, produced a decline in real income, and voters showed their unhappiness by rallying around the Schwarzenbach initiative.

This initiative, drawn up by the leader of the National Action Party, James Schwarzenbach, who said foreign workers were eating into the livelihoods of Swiss citizens, sought to restrict migrant laborers from entering the country. Although every political party opposed the initiative as discriminatory and economically unsound, it drew a substantial vote. The final count was 564,000, or 46 percent, in favor and 633,000, or 54 percent, against.

The government got the message. Federal authorities tightened requirements for work permits, restricted the number of seasonal workers allowed to enter the country and barred family members from accompanying migrant workers.

The Schwarzenbach initiative "almost accomplished what it set out to do without having been legally accepted, because of the actions taken by the authorities," Mr. Handley said.

Now, in actions reminiscent of that era, Swiss federal authorities have responded to the recent

Vigilance and National Action victories by cracking down on people seeking asylum.

Nearly a million foreigners live in Switzerland and more than 23,000 requests for political asylum are pending. In this country of 6.5 million inhabitants, many Swiss say that "the boat is full."

In mid-November, when Geneva elected its seven-member Executive Governing Council, many observers viewed the vote as a major test of Vigilance's emerging strength. In an effort to offset this, federal authorities expelled 59 Zairians and ordered 12 Turks and about 70 Chileans to leave.

Daniel-Louis Sella, a professor of political science at the University of Lausanne, suggests that federal authorities were trying to keep Geneva's establishment in power.

"The authorities took this tough stance against the refugees as a precautionary measure against Vigilance winning a seat in the Executive Council," he said.

In the end, the Vigilance candidate for the executive council seat, Arnold Schlaepfer, lost. In a field of 12 candidates, he finished 10th.

Switzerland's multinational structure militates against a rightist takeover of the country, commentators say. Rivalry among the three main linguistic regions — German, French and Italian — is regarded here as precluding the sort of nationalistic fervor that can be exploited in more ethnically homogeneous countries.

In Switzerland, local issues are almost always more important than national issues. Little homogeneity exists in national parties, which are weak federations of cantonal or state parties. In national elections, candidates tend to run on cantonal, not federal, issues.

Neither Vigilance nor National Action has strong national followings. Vigilance, which exists only in the canton of Geneva, where every third inhabitant is a foreigner, has been around since 1964 and is considered an accepted party in the Geneva political landscape. Despite periodic political peaks, it is expected to remain a non-governmental party.

Even less is expected of National Action, which began in the canton of Zurich in 1961. Its strength still lies there and in the canton of Bern, both large population centers in the German-speaking part of Switzerland.

NYSE Most Actives				
Vol.	High	Low	Last	Chg.
AT&T	29.40	29.30	29.30	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4

Dow Jones Averages				
Open	High	Low	Last	Chg.
Indus	1554.80	1554.80	1554.80	-8.40
Trans	125.20	125.20	125.20	+2.15
Comp	625.07	625.07	625.07	-1.74

NYSE Index				
	High	Low	Close	Ch'ge
Composite	122.88	121.17	121.17	-0.72
Industrials	129.84	126.72	126.72	-1.18
Transp.	115.72	115.02	115.02	-1.11
Utilities	62.97	62.58	62.58	+0.43
Finance	132.47	131.39	131.39	-0.97

Tuesday's				
NYSE				
Closing				

AMEX Diaries				
Class	Prev.	Chg.	Vol.	Chg.
Advanced	317	34	17	13
Declined	108	10	17	13
Unchanged	108	10	17	13
Total Issues	108	10	17	13
New High	108	10	17	13
New Low	108	10	17	13
Volume up	108	10	17	13
Volume down	108	10	17	13

NASDAQ Index				
Class	Prev.	Chg.	Vol.	Chg.
Composite	222.65	2.15	13,480,000	13,480,000
Industrials	222.65	2.15	13,480,000	13,480,000
Utilities	222.65	2.15	13,480,000	13,480,000
Finance	222.65	2.15	13,480,000	13,480,000
Transp.	222.65	2.15	13,480,000	13,480,000

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
BAT in	12.00	11.90	11.90	+1/4
Unicom	12.00	11.90	11.90	+1/4
Unicom	12.00	11.90	11.90	+1/4
Unicom	12.00	11.90	11.90	+1/4
Unicom	12.00	11.90	11.90	+1/4
Unicom	12.00	11.90	11.90	+1/4
Unicom	12.00	11.90	11.90	+1/4
Unicom	12.00	11.90	11.90	+1/4
Unicom	12.00	11.90	11.90	+1/4
Unicom	12.00	11.90	11.90	+1/4

Dow Jones Bond Averages				
Class	Prev.	Chg.	Vol.	Chg.
Bonds	82.17	0.26	1,682,000	1,682,000
Utilities	82.17	0.26	1,682,000	1,682,000
Industrials	82.17	0.26	1,682,000	1,682,000

NYSE Diaries				
Class	Prev.	Chg.	Vol.	Chg.
Advanced	60	10	17	13
Declined	108	10	17	13
Unchanged	108	10	17	13
Total Issues	108	10	17	13
New High	108	10	17	13
New Low	108	10	17	13
Volume up	108	10	17	13
Volume down	108	10	17	13

Odd-Lot Trading in N.Y.				
Dec. 18	Buy	Sell	Vol.	Chg.
Dec. 18	2,500	2,500	4,000	4,000
Dec. 18	2,500	2,500	4,000	4,000
Dec. 18	2,500	2,500	4,000	4,000
Dec. 18	2,500	2,500	4,000	4,000

Prev. 4 P.M. vol. _____ 174,820,000

Prev consolidated close 270,519,000

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

Standard & Poor's Index				
	High	Low	Close	Ch'ge
Industrials	236.07	233.75	233.82	-1.33
Transp.	192.35	189.97	190.78	-2.67
Utilities	12.91	11.95	12.77	+0.82
Finance	25.34	25.68	26.64	+0.25
Composites	212.45	210.58	210.45	-1.37

AMEX Sales	
4 P.M. volume	13,480,000
Prev. 4 P.M. volume	13,420,000
Prev. cons. volume	13,420,000

NYSE Most Actives				
Vol.	High	Low	Last	Chg.
AT&T	29.40	29.30	29.30	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4
Unicom	28.00	27.75	27.75	+1/4

12 Month			NYSE Slides in Profit-Taking			Div. Yld. PE			Stk. 12 Month			High Low			Close Quot. Chg.			
			A			2			15			125			125			
24%	18	16	AAR	56	2.3	15	125	24%	18	16	AAR	56	2.3	15	125	24%	18	16
24%	18	16	AGS	56	2.3	15	125	24%	18	16	AGS	56	2.3	15	125	24%	18	16
24%	18	16	AMCA	56	2.3	15	125	24%	18	16	AMCA	56	2.3	15	125	24%	18	16
24%	18	16	AMR	56	2.3	15	125	24%	18	16	AMR	56	2.3	15	125	24%	18	16
24%	18	16	ASA	56	2.3	15	125	24%	18	16	ASA	56	2.3	15	125	24%	18	16
24%	18	16	AT&T	56	2.3	15	125	24%	18	16	AT&T	56	2.3	15	125	24%	18	16
24%	18	16	AVX	56	2.3	15	125	24%	18	16	AVX	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125	24%	18	16
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP</							

NYSE Slides in Profit-Taking

United Press International

NEW YORK — The New York stock market broke its winning streak and succumbed to selling Tuesday, suffering its sharpest loss in two weeks. Trading was heavy.

The Dow Jones industrial average fell on profit-taking early in the session but recouped losses and moved into plus territory by early afternoon. For a while, the blue-chip index held the high ground but in the end it backed down and finished with a loss of 8.60 to 1,544.50.

Broader market indexes receded from the record highs they set Monday. The New York Stock Exchange index fell 0.73 to 121.17 and Standard & Poor's 500-stock index lost 1.37 to 210.65. The price of an average share dropped 22 cents.

Declines outpaced advances by a 5-3 ratio. Volume totaled 155.23 million shares, down from 176.03 million shares traded Monday. "The market is very vulnerable to profit-taking at this point," said Trude Latimer of Evans & Co. "When there is selling, everyone starts getting nervous."

She said that selling probably would continue early Wednesday and would intensify if the market does not manage to rally from the lower levels.

Eugene Peroni Jr., technical analyst at Bateman Eichler, Hill Richards in Los Angeles said that after a 200-point advance, the market would likely become more moody and erratic.

Mr. Peroni said that investors would become more interested in such economic and monetary

events as whether corporate earnings actually revive in the first quarter of 1986 and whether the Federal Reserve cuts the discount rate.

The Commerce Department reported U.S. housing starts fell 12.3 percent in November. The government also said the U.S. current account deficit amounted to \$30.5 billion in the third quarter.

On the trading floor, AT&T was the most active NYSE-listed issue, adding 1/4 to 24 1/4. Union Carbide followed, rising 1/4 to 70 1/4. Carbide set up so-called "golden parachutes" for 42 of its executives if a hostile takeover of the company is successful. GAF Corp. fell 1/4 to 38 1/4. The company, involved in a hostile takeover attempt of Union Carbide, filed suit in New York to block Carbide's \$85-a-share stock swap offer.

Texasco was third most active issue, dropping 1 to 27 1/4. Pennzoil dropped 1/4 to 64 1/4.

Helping to send the Dow utilities index to an all-time high, the second such record in two days, Commonwealth Edison rose 1/4 to 30 in volume of nearly 2 million shares. Pacific Gas & Electric added 1/4 to 20. Philadelphia Electric edged up 1/4 to 17 1/4. Consolidated Edison added 1/4 to 28 1/4.

Among actively traded blue chips, IBM rose 1/4 to 152 1/4, Exxon eased 1/4 to 53 1/4. General Electric fell 1/4 to 71 1/4. Sears lost 1/4 to 40 and U.S. Steel dropped 1/4 to 25 1/4.

High-technology issues were among the day's biggest losers. Cray Research lost 4 1/4 to 64 1/4. Texas Instruments fell 3 1/4 to 103 1/4.

NYSE Slides in Profit-Taking															
12 Month	High	Low	Stock	Div.	Yld.	PE	Stk.	12 Month	High	Low	Stock	Div.	Yld.	PE	Stk.
32%	18	16	AAR	56	2.3	15	125	32%	18	16	AAR	56	2.3	15	125
24%	18	16	AGS	56	2.3	15	125	24%	18	16	AGS	56	2.3	15	125
24%	18	16	AMCA	56	2.3	15	125	24%	18	16	AMCA	56	2.3	15	125
24%	18	16	AMR	56	2.3	15	125	24%	18	16	AMR	56	2.3	15	125
24%	18	16	ASA	56	2.3	15	125	24%	18	16	ASA	56	2.3	15	125
24%	18	16	AT&T	56	2.3	15	125	24%	18	16	AT&T	56	2.3	15	125
24%	18	16	AVX	56	2.3	15	125	24%	18	16	AVX	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP	56	2.3	15	125	24%	18	16	AXP	56	2.3	15	125
24%	18	16	AXP												

NYSE Slides in Profit-Taking										Close	
12 Month	High	Low	Stock	Div.	Yld.	PE	Stk.	12 Month	High	Low	Close
31%	18	16	AAR	56	2.3	15	125	31%	18	16	17 1/2
24%	18	16	AGS	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AMCA	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AMR	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	ASA	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AT&T	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AVX	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2
24%	18	16	AXP	56	2.3	15	125	24%	18	16	17 1/2

COLLECTOR'S ITEM



ENGLISH CLASSIC. PRESTIGIOUS. EACH A SIGNATURE PIECE.

NYSE Slides in Profit-Taking															
12 Month	High	Low	Stock	Div.	Yld.	PE	Stk.	12 Month	High	Low	Stock	Div.	Yld.	PE	Stk.
24%	18	16	AAR	56	2.3	15	125	24%	18	16	AAR	56	2.3	15	125
24%	18	16	AGS	56	2.3	15	125	24%	18	16	AGS	56	2.3	15	125
24%	18	16	AMCA	56	2.3	15	125	24%	18	16	AMCA	56	2.3	15	125
24%	18	16	AMR	56	2.3	15	125	24%	18	16	AMR	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
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24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
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24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
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24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT	56	2.3	15	125	24%	18	16	AMT	56	2.3	15	125
24%	18	16	AMT												

INTERNATIONAL MANAGER

Bringing Creative Thinkers Out of the Corporate Closet

By SHERRY BUCHANAN
International Herald Tribune

PARIS — Creative is in. Deductive reasoning is out, according to the latest fad. To be competitive, companies need creative thinkers to come up with new product ideas or new ways to use old products. But, by definition, bureaucratic organizations tend to stomp out the creative thinkers. The corporate dilemma is how to institutionalize a higher level of creativity.

"We need to bring the creatives out of the closet," says John Katzenbach, director of McKinsey & Co., the New York-based management consulting firm.

But bringing the creatives out of the closet may often mean that management has to accept a higher degree of failure.

"One of the problems with the products of a creative thinker is that 99 out of 100 are useless," says Eke Verbeur, a firm believer in creative thinking and a senior research engineer with Shell Laboratory in Amsterdam, an operating company of Shell Research BV and Shell's largest research laboratory. "But, if you don't allow creative thinking, you never get that 1-percent success rate."

To bring more creativity into the corporate world, companies are willing to do just about anything. Many large companies such as General Electric Co. of the United States, International Business Machines Corp., American Telephone & Telegraph Co. and Royal Dutch/Shell Group, are seeking their managers to be creative consultants. Some companies just send a few already creative types who will join small idea teams. Others send everybody from senior-level managers to line managers and researchers.

Creativity consultants are selling corporate believers a wide variety of creativity-enhancing tools ranging from old brainstorming sessions to word association games and analogies, as well as techniques based on the consultants' own experience.

THE TECHNIQUES are supposed to help you look at an old problem from a new angle so that, if all goes well, you will come up with a creative solution. The international scientific community is still divided as to what extent creativity is a skill that can be taught.

"Creative thinking is making a connection in the mind that is not logical," says Jackson Smelling, director of Synectics Ltd., the British subsidiary of Synectics Inc. "The censor inside us is always reinforced in company meetings. Most new ideas by definition appear unworkable, so people feel they can only put forward highly defensible ideas."

Synectics, in Cambridge, Massachusetts, started 25 years ago organizing brainstorming sessions for companies. It now teaches mechanisms that help people listen to new ideas without rejecting them out of hand. With two-day sessions costing \$10,000 and up, Synectics reports an annual revenue increase of 20 percent over last year.

Companies who believe in creativity training have plenty of success stories to tell. In 1982, after a Synectics-led creativity session, Elcom Shoe Co., a subsidiary of Colgate-Palmolive Co., came up with a new tennis shoe that is as comfortable as being barefoot. During that session, an executive said he wished he could play tennis barefoot. Synectics argues that, in a regular company meeting, the barefoot idea would have been rejected immediately as being "crazy."

"As soon as you are in a creative session, you can say anything you want, even if people laugh at you," says Jacobus Steenbakker, training manager at Cynamid BV, the Dutch subsidiary of the U.S. chemical manufacturer.

After a two-day creative session last week at Cynamid in Rotterdam, a task force of five chemists, five senior managers and five line managers came up with six new ways to develop a propylene-based product. The problem facing the task force was

(Continued on Page 14, Col. 5)

EC Assails The U.S. On Trade Publishes a List Of 23 'Obstacles'

The Associated Press

BRUSSELS — The European Community, seeking to counter U.S. criticism of its trade practices, accused the United States on Tuesday of erecting a wide range of barriers to free trade.

The Common Market's executive branch published a list of 23 examples of what it called direct and indirect U.S. barriers to European goods and services.

The list includes a program announced by the Reagan administration last May to give away up to \$2-billion worth of farm products to help U.S. exporters recapture foreign markets.

EC officials said their attack on the United States was an attempt to "prevent the Reagan administration from perpetuating the false impression that only foreign nations traded unfairly."

Three months ago the Reagan administration launched a new trade policy aimed at eliminating foreign trade restrictions and subsidies. And, in October, it stepped up the campaign by beginning legal action against what it called excessive EC export subsidies on wheat.

"World opinion could be led to believe that the United States was the only [country] to respect the rules of the game of world trade," said Willy de Clercq, the EC's commissioner for external affairs.

"The notion of fair trade must be applied in the same way on both sides of the Atlantic," he said in a written statement.

Among the EC complaints is a charge that European exports are restricted by U.S. import quotas on a variety of farm products, including peanuts, sugar and syrups and certain dairy products.

Still another complaint relates to wine and what the Europeans say is an outright violation of the 1979 subsidies code of the General Agreement on Tariffs and Trade. GATT is a 90-nation accord that sets out fair-trade rules and procedures for settling disputes.

The other complaints include a U.S. failure to accelerate tariff cuts on vitamin B-12 as requested by a GATT panel, customs barriers to imports of European steel tubes and pipes, and U.S. restrictions on imports of firearms and munitions.

Mr. de Clercq said his list was not exhaustive but was an indication that the United States was guilty as Europe in maintaining obstacles to free trade.

Shiseido: Putting on a New Face Cosmetic Firm Tries Markets Outside Japan

By Susan Chira
New York Times Service

TOKYO — Every so often, Victor Harris, the president of Max Factor's Japanese subsidiary, is pressed by his U.S. superiors to attack the weaknesses of the Japanese cosmetics giant, Shiseido. But he says: "I've spent a career examining their weaknesses, and you're not going to find any major ones."

Mr. Harris, whose company is a leading foreign cosmetics concern in Japan, gives Shiseido top grades in marketing, production, quality and management, all of which have helped to push the company to the top here. Last year, Shiseido had sales of \$1.5 billion.

And now Shiseido, the third-largest cosmetics company in the world, after Avon and L'Oréal of France, has begun a more aggressive drive to sell its products outside Asia.

Shiseido has been selling its line in the United States for 20 years. But in the early 1970s, when it tried to make its products in the United States using subcontractors, it was not happy with the quality of materials used or the performance of employees. In the late 1970s, it tried again unsuccessfully.

The latest effort, though, Shiseido says, is resulting in brisk sales in the United States, which it estimates at \$63 million annually.



A saleswoman for Shiseido attends to a customer at one of the Tokyo outlets of the big cosmetics company.

Shiseido's renewed efforts abroad came at a time of slower growth and increased competition at home. The company recorded lower growth rates than many of its Japanese and foreign rivals last year, as it had in 1981 and 1982. The only recent year in which its growth exceeded that of the industry as a whole was 1983.

Shiseido is selling to a market that analysts describe as mature. And while its domestic leadership remains secure, Shiseido has coded the top share of department-store sales to a much smaller U.S. competitor, Clinique.

(Continued on Page 14, Col. 5)

BA Posts 6.3% Rise in Pretax Profit

By Bob Hagerty
International Herald Tribune

LONDON — British Airways PLC said Tuesday that pretax profit rose 6.3 percent in the six months ended Sept. 30, largely reflecting lower interest costs.

BA's results are being closely watched as the government prepares to sell the airline to private investors. The sale, long delayed by the need to settle litigation, is tentatively scheduled for next summer and is expected to value the airline at around £1 billion (\$1.44 billion).

BA said its pretax profit increased to £201 million from £189 million a year earlier. Net profit rose 7 percent to £200 million from £187 million; the airline pays little tax because it is still claiming tax relief from huge losses recorded several years ago.

Lord King of Walsby, chairman, said the results represented "good progress" after the "exceptionally good" performance in the year ended last March 31.

But profit before interest and taxation, or operating profit, fell 15 percent to £222 million in the latest six months from £260 million a year earlier, even though revenue grew 11 percent to £1.74 billion from £1.57 billion.

Two airline accidents during the six months cut operating profit by at least £9 million, BA said. One accident in August at Manchester, England, in which 35 passengers were killed, caused the loss of a Boeing 737. Another accident forced the airline to withdraw from service a Trident jet during the peak summer travel period.

BA also cited the loss of profitable routes to Jeddah and Dhahran in Saudi Arabia. Those routes were transferred to British Caledonian Airways as part of a government restructuring of the British airline business last year. In return, BA won new routes to St. Petersburg. The new routes "are performing well and prospects are encouraging," BA said.

Parliamentary Panel Asserts Sale Of British Telecom Was Under-Priced

Reuters

LONDON — A parliamentary committee asserted Tuesday that the British government under-priced the shares of the national telecommunications company when it was sold to private hands.

The Committee of Public Accounts, which monitors public spending, said the sale of British Telecommunications PLC in November 1984 could have raised more money for the taxpayers.

The sale of the government's 50.2-percent stake in British Telecom raised £3.9 billion, or \$4.6 billion at the exchange rate then in force. But the committee said: "It can be argued with hindsight that the price was over-cautious and that a modest increase of four or five pence in the offer price of £1.30 would have brought in a higher return."

It said the Treasury and the Department of Trade and Industry should review the sale in light of the plans by Prime Minister Margaret Thatcher's Conservative government to transfer other government holdings to the private sector. These include British Airways PLC and British Gas Corp.

As soon as trading began in British Telecommunications shares in December 1984, their price soared, and a spokesman for the opposition Labor Party, Alan Williams, accused the government of "criminal incompetence" in pricing the issue.

"The government has today presided over the biggest giveaway in British commercial history," the Labor spokesman said at the time.

ing, but they have yet to contribute profits," BA said.

The drop in operating profit also reflected currency-translation losses and higher fuel costs. For the year ending March 31, fuel costs will show an increase of 10 percent, according to the estimate of Colin Marshall, chief executive.

BA complained that regulatory agencies had delayed or rejected some of its applications to increase fares.

Interest costs declined to £29 million from £48 million as BA reduced its debt to £464 million from £547 million last March 31 and more than £1 billion in 1983. The decline reflects both repayments and the decline of the dollar, in which much of BA's debt is denominated.

BA's net worth stood at £499 million, up from £297 million a year before.

BA also said it was confident that it could settle by next spring a class-action lawsuit arising from the 1982 collapse of Laker Airways Ltd. The suit, filed in a U.S. district court, alleged that BA and others conspired to fix prices for certain categories of air travel between Britain and the United States.

Last July, BA and several other defendants settled another suit by agreeing to pay a total of \$48 million to the liquidator of Laker and others. That suit charged that the defendants fixed prices in an effort to drive Laker out of business.

For the year ended March 31, BA recorded an extraordinary loss of £33 million to cover the estimated amount of cash it will pay under the settlements.

Japan Air Loses Route Monopoly

United Press International

TOKYO — The Japanese cabinet ruled Tuesday that Japan Air Lines must give up its 15-year-old monopoly on international passenger flights, opening the way for the country's domestic carriers to apply for overseas routes.

The cabinet abolished a 1970 "aviation constitution" that regulated a strict division of markets among Japan's three major airlines. It was designed to promote the growth and development of the nation's aviation industry.

Under that law, the 34.5-percent government-owned JAL was assigned international routes and domestic flights connecting large cities, while Toa Domestic Airways and All Nippon Airways were allowed to provide other domestic service.

But profit before interest and taxation, or operating profit, fell 15 percent to £222 million in the latest six months from £260 million a year earlier, even though revenue grew 11 percent to £1.74 billion from £1.57 billion.

Two airline accidents during the six months cut operating profit by at least £9 million, BA said. One accident in August at Manchester, England, in which 35 passengers were killed, caused the loss of a Boeing 737. Another accident forced the airline to withdraw from service a Trident jet during the peak summer travel period.

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U.S. Current Account Deficit Widened in Quarter

By Stuart Auerbach
Washington Post Service

WASHINGTON — The United States shipped deeper into debt to foreign creditors as the current account deficit — the broadest measure of the nation's trade and financial transactions with the rest of the world — grew to \$30.5 billion in the third quarter, the Commerce Department reported Tuesday.

This was the second-largest quarterly deficit, just \$1.3 billion behind the record set during the fourth quarter of last year, and an increase of \$2.3 billion from the second-quarter mark.

On the basis of new information, the government said that the trade picture was slightly better in the second quarter than it appeared when the trade figures were released in September. The second-quarter deficit was revised down from \$31.8 billion to \$27.7 billion.

The third-quarter current account figures — which measures merchandise trade, sales of services and overseas investment — maintained the United States as a debtor nation for the first time since World War I. The slide to debtor status was forecast after the first quarter, but received confirmation in September when the third-quarter figures were released.

Commerce Secretary Malcolm Baldrige blamed the increased deficit increase on "the widening merchandise trade deficit," which rose \$4.6 billion, to a record \$31.1 billion. This swamped improvements

in the service sector that were due largely to the weakening of the dollar.

Net service receipts jumped by 34 percent to \$6.7 billion, as income on U.S. direct investment overseas increased \$1.6 billion, to \$10.2 billion. This was due to increases in the value of foreign currencies and the weaker dollar, which enhanced income on overseas investments when it was converted to dollars.

At the same time, income from foreign ownership of investments in the United States declined by \$400 million, to \$2.4 billion. This was due largely to falling interest rates.

The balance of payments deficit was a record \$107.4 billion last year

and in 1983 it was \$46 billion. The deficit totals \$82.2 billion for the first three quarters of this year.

■ Housing Starts Tumble

The Commerce Department also reported Tuesday that housing construction plummeted 12.2 percent in November, the steepest decline in six months. The Associated Press reported from Washington.

The department said that the decline left construction at an annual rate of 1.55 million units in November, the lowest pace since April 1983. The month-to-month decline was the sharpest since a 13-percent drop in March. Housing starts had risen 9 percent in October following a 7.1-percent September decline.

Analysts have been puzzled by the weakness in housing activity, given the fact that mortgage rates have now fallen to their lowest levels in six years.

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Deutsche Bank To Sell 10% of Daimler's Stock

By Warren Getler
International Herald Tribune

FRANKFURT — Deutsche Bank AG, in an earlier-than-expected move that will raise 3.81 billion Deutsche marks (\$1.5 billion), said Tuesday it would offer 3.4 million shares in Daimler-Benz AG through an international bank consortium.

The shares, which amount to 10 percent of the West German automaker's equity and are to be acquired through Deutsche Bank's recent agreement to buy the Flick AG, the electronics conglomerate, and the purchase of a majority holding in Dornier GmbH, the nation's second-largest aerospace group, after Messerschmitt-Bölkow-Blohm GmbH.

"We don't think the price Deutsche is asking is unsatisfactory, although it is not at all-time high levels," Mr. Beton said, echoing the (Continued on Page 14, Col. 6)

from late last week and decided to move the offering forward to take advantage of demand.

Daimler's shares have been among the best performing West German blue chip issues this year, soaring from lows around 550 DM to records of around 1,260 DM in recent weeks. Spurring demand for Daimler shares have been major diversification moves this year by the automaker into high-technology, including a pending acquisition of a majority stake in AEG AG, the electronics conglomerate, and the purchase of a majority holding in Dornier GmbH, the nation's second-largest aerospace group, after Messerschmitt-Bölkow-Blohm GmbH.

"We don't think the price Deutsche is asking is unsatisfactory, although it is not at all-time high levels," Mr. Beton said, echoing the

Crude Prices Fall In Hectic Trade

Agence France-Press

LONDON — Oil prices turned sharply lower Tuesday on reports that Venezuela would abandon a price plan approved by the Organization of Petroleum Exporting Countries and that Mexico would cut its own prices to conform to those on the spot market.

The price for January delivery of the most widely traded European crude, North Sea Brent, fell in hectic trading to \$25.45 a barrel from \$26.30 on Monday while February contracts fell more than \$1 to \$24.50 a barrel from \$25.30.

Traders said the rumored price moves upset an already skittish market. The influential U.S. review, Petroleum Intelligence Weekly, reported that OPEC production has risen to 18 million barrels a day from 17.8 million in mid-November.

Nigeria makes forecast on OPEC oil output. Page 14.

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Interest Rates

Dec. 18/17

Rate	Dec. 18/17	Dec. 17/16
1 month	7 1/4 - 7 1/2	7 1/4 - 7 1/2
3 months	7 1/2 - 7 3/4	7 1/2 - 7 3/4
6 months	7 3/4 - 7 1/2	7 3/4 - 7 1/2
1 year	7 1/2 - 7 3/4	7 1/2 - 7 3/4

Key Money Rates Dec. 17

Country	Rate
United States	100.00
Canada	70.00
France	6.55
Germany	3.36
Italy	1.36
Japan	360.00
Switzerland	70.33
UK	163.26

Asian Dollar Deposits Dec. 17

Country	Rate
1 month	8.00
3 months	8.50
6 months	9.00
1 year	9.50

U.S. Money Market Funds Dec. 17

Fund	Assets
First Investors Fund	\$1.2B
Fidelity Puritan	\$1.1B
Putnam Fund for Growth	\$1.0B
Investment Company of America	\$900M

Gold Dec. 17

Commodity	Price
Gold	\$375.00
Silver	\$16.00

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**Tuesday's
NYSE
Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month		Stock	Div.	Yld.	PS	Stk.	100% Mktch	1 year	Close	
High	Low								Paid	Chg.

(Continued from Page 10)

[illegible][illegible]

NYSE Highs-Lows

[illegible]

EC Aides Do Not Agree On Efforts in Tin Crisis

BRUSSELS — European Community ministers have failed to agree on a common stand on attempts to solve the international tin crisis, a British spokesman said Tuesday.

British officials had hoped to persuade the other EC nations to agree to discuss sharing the liabilities of the International Tin Council, which is scheduled to meet Wednesday in London. But France and West Germany blocked agreement, saying each country should act on its own in talks, the spokesman said.

Tin trading has almost come to a standstill since late October when the ITC, which groups 22 producer and consumer nations, ran out of money to support the world tin price. Most EC countries, which form the largest bloc within the ITC, do not accept legal liability for the organization's debts.

(Continued on Page 13)

FIRST

In August 1985, Research Services Ltd. released a study of the reading habits of international financial managers in Europe.* The study showed conclusively that more read Institutional Investor than *any other magazine...including:*

- The Economist
- Euromoney
- Business Week
- Fortune
- Time
- Newsweek
- Der Spiegel
- Le Nouvel Economiste

In fact, in virtually every category—from job responsibility of financial manager to industry to geographic location, the story remained the same: Institutional Investor ranked first.

And if worldwide leadership is not reason enough to advertise in Institutional Investor, here is another: thanks to strengthening international currencies, coupled with a new rate structure, an advertising schedule in 1986 will cost international marketers significantly less than it did in 1985.

Put first things first. Contact your Institutional Investor account executive today. Or, contact Christine Cavolina, European Advertising Director, in London at (01) 379-7511. In New York, contact Denise C. Coleman, V.P. & International Advertising Director at (212) 303-3388.

*Co-sponsored by Business Week, The Economist, Euromoney, The Financial Times, Institutional Investor International and The Wall Street Journal/Europe.

Institutional Investor

Floating-Rate Notes

Dollor		Coupons Next Bid Ask		Insurer/Whet.		Coupons Next Bid Ask	
Insurer/Whet.				Insurer/Whet.			
U.S. Dollar				U.S. Dollar			
Atlantic Irish 86	70	15.94	15.93/15.92	Rep 86/87	80	25.04	25.01/25.02
Atlantic Irish 87	70	15.94	15.93/15.92	Rep 87/88	80	25.04	25.01/25.02
Atlantic Irish 88	70	15.94	15.93/15.92	Rep 88/89	80	25.04	25.01/25.02
Atlantic Irish 89	70	15.94	15.93/15.92	Rep 89/90	80	25.04	25.01/25.02
Atlantic Irish 90	70	15.94	15.93/15.92	Rep 90/91	80	25.04	25.01/25.02
Atlantic Irish 91	70	15.94	15.93/15.92	Rep 91/92	80	25.04	25.01/25.02
Atlantic Irish 92	70	15.94	15.93/15.92	Rep 92/93	80	25.04	25.01/25.02
Atlantic Irish 93	70	15.94	15.93/15.92	Rep 93/94	80	25.04	25.01/25.02
Atlantic Irish 94	70	15.94	15.93/15.92	Rep 94/95	80	25.04	25.01/25.02
Atlantic Irish 95	70	15.94	15.93/15.92	Rep 95/96	80	25.04	25.01/25.02
Atlantic Irish 96	70	15.94	15.93/15.92	Rep 96/97	80	25.04	25.01/25.02
Atlantic Irish 97	70	15.94	15.93/15.92	Rep 97/98	80	25.04	25.01/25.02
Atlantic Irish 98	70	15.94	15.93/15.92	Rep 98/99	80	25.04	25.01/25.02
Atlantic Irish 99	70	15.94	15.93/15.92	Rep 99/00	80	25.04	25.01/25.02
Atlantic Irish 00	70	15.94	15.93/15.92	Rep 00/01	80	25.04	25.01/25.02
Atlantic Irish 01	70	15.94	15.93/15.92	Rep 01/02	80	25.04	25.01/25.02
Atlantic Irish 02	70	15.94	15.93/15.92	Rep 02/03	80	25.04	25.01/25.02
Atlantic Irish 03	70	15.94	15.93/15.92	Rep 03/04	80	25.04	25.01/25.02
Atlantic Irish 04	70	15.94	15.93/15.92	Rep 04/05	80	25.04	25.01/25.02
Atlantic Irish 05	70	15.94	15.93/15.92	Rep 05/06	80	25.04	25.01/25.02
Atlantic Irish 06	70	15.94	15.93/15.92	Rep 06/07	80	25.04	25.01/25.02
Atlantic Irish 07	70	15.94	15.93/15.92	Rep 07/08	80	25.04	25.01/25.02
Atlantic Irish 08	70	15.94	15.93/15.92	Rep 08/09	80	25.04	25.01/25.02
Atlantic Irish 09	70	15.94	15.93/15.92	Rep 09/10	80	25.04	25.01/25.02
Atlantic Irish 10	70	15.94	15.93/15.92	Rep 10/11	80	25.04	25.01/25.02
Atlantic Irish 11	70	15.94	15.93/15.92	Rep 11/12	80	25.04	25.01/25.02
Atlantic Irish 12	70	15.94	15.93/15.92	Rep 12/13	80	25.04	25.01/25.02
Atlantic Irish 13	70	15.94	15.93/15.92	Rep 13/14	80	25.04	25.01/25.02
Atlantic Irish 14	70	15.94	15.93/15.92	Rep 14/15	80	25.04	25.01/25.02
Atlantic Irish 15	70	15.94	15.93/15.92	Rep 15/16	80	25.04	25.01/25.02
Atlantic Irish 16	70	15.94	15.93/15.92	Rep 16/17	80	25.04	25.01/25.02
Atlantic Irish 17	70	15.94	15.93/15.92	Rep 17/18	80	25.04	25.01/25.02
Atlantic Irish 18	70	15.94	15.93/15.92	Rep 18/19	80	25.04	25.01/25.02
Atlantic Irish 19	70	15.94	15.93/15.92	Rep 19/20	80	25.04	25.01/25.02
Atlantic Irish 20	70	15.94	15.93/15.92	Rep 20/21	80	25.04	25.01/25.02
Atlantic Irish 21	70	15.94	15.93/15.92	Rep 21/22	80	25.04	25.01/25.02
Atlantic Irish 22	70	15.94	15.93/15.92	Rep 22/23	80	25.04	25.01/25.02
Atlantic Irish 23	70	15.94	15.93/15.92	Rep 23/24	80	25.04	25.01/25.02
Atlantic Irish 24	70	15.94	15.93/15.92	Rep 24/25	80	25.04	25.01/25.02
Atlantic Irish 25	70	15.94	15.93/15.92	Rep 25/26	80	25.04	25.01/25.02
Atlantic Irish 26	70	15.94	15.93/15.92	Rep 26/27	80	25.04	25.01/25.02
Atlantic Irish 27	70	15.94	15.93/15.92	Rep 27/28	80	25.04	25.01/25.02
Atlantic Irish 28	70	15.94	15.93/15.92	Rep 28/29	80	25.04	25.01/25.02
Atlantic Irish 29	70	15.94	15.93/15.92	Rep 29/30	80	25.04	25.01/25.02
Atlantic Irish 30	70	15.94	15.93/15.92	Rep 30/31	80	25.04	25.01/25.02
Atlantic Irish 31	70	15.94	15.93/15.92	Rep 31/32	80	25.04	25.01/25.02
Atlantic Irish 32	70	15.94	15.93/15.92	Rep 32/33	80	25.04	25.01/25.02
Atlantic Irish 33	70	15.94	15.93/15.92	Rep 33/34	80	25.04	25.01/25.02
Atlantic Irish 34	70	15.94	15.93/15.92	Rep 34/35	80	25.04	25.01/25.02
Atlantic Irish 35	70	15.94	15.93/15.92	Rep 35/36	80	25.04	25.01/25.02
Atlantic Irish 36	70	15.94	15.93/15.92	Rep 36/37	80	25.04	25.01/25.02
Atlantic Irish 37	70	15.94	15.93/15.92	Rep 37/38	80	25.04	25.01/25.02
Atlantic Irish 38	70	15.94	15.93/15.92	Rep 38/39	80	25.04	25.01/25.02
Atlantic Irish 39	70	15.94	15.93/15.92	Rep 39/40	80	25.04	25.01/25.02
Atlantic Irish 40	70	15.94	15.93/15.92	Rep 40/41	80	25.04	25.01/25.02
Atlantic Irish 41	70	15.94	15.93/15.92	Rep 41/42	80	25.04	25.01/25.02
Atlantic Irish 42	70	15.94	15.93/15.92	Rep 42/43	80	25.04	25.01/25.02
Atlantic Irish 43	70	15.94	15.93/15.92	Rep 43/44	80	25.04	25.01/25.02
Atlantic Irish 44	70	15.94	15.93/15.92	Rep 44/45	80	25.04	25.01/25.02
Atlantic Irish 45	70	15.94	15.93/15.92	Rep 45/46	80	25.04	25.01/25.02
Atlantic Irish 46	70	15.94	15.93/15.92	Rep 46/47	80	25.04	25.01/25.02
Atlantic Irish 47	70	15.94	15.93/15.92	Rep 47/48	80	25.04	25.01/25.02
Atlantic Irish 48	70	15.94	15.93/15.92	Rep 48/49	80	25.04	25.01/25.02
Atlantic Irish 49	70	15.94	15.93/15.92	Rep 49/50	80	25.04	25.01/25.02
Atlantic Irish 50	70	15.94	15.93/15.92	Rep 50/51	80	25.04	25.01/25.02
Atlantic Irish 51	70	15.94	15.93/15.92	Rep 51/52	80	25.04	25.01/25.02
Atlantic Irish 52	70	15.94	15.93/15.92	Rep 52/53	80	25.04	25.01/25.02
Atlantic Irish 53	70	15.94	15.93/15.92	Rep 53/54	80	25.04	25.01/25.02
Atlantic Irish 54	70	15.94	15.93/15.92	Rep 54/55	80	25.04	25.01/25.02
Atlantic Irish 55	70	15.94	15.93/15.92	Rep 55/56	80	25.04	25.01/25.02
Atlantic Irish 56	70	15.94	15.93/15.92	Rep 56/57	80	25.04	25.01/25.02
Atlantic Irish 57	70	15.94	15.93/15.92	Rep 57/58	80	25.04	25.01/25.02
Atlantic Irish 58	70	15.94	15.93/15.92	Rep 58/59	80	25.04	25.01/25.02
Atlantic Irish 59	70	15.94	15.93/15.92	Rep 59/60	80	25.04	25.01/25.02
Atlantic Irish 60	70	15.94	15.93/15.92	Rep 60/61	80	25.04	25.01/25.02
Atlantic Irish 61	70	15.94	15.93/15.92	Rep 61/62	80	25.04	25.01/25.02
Atlantic Irish 62	70	15.94	15.93/15.92	Rep 62/63	80	25.04	25.01/25.02
Atlantic Irish 63	70	15.94	15.93/15.92	Rep 63/64	80	25.04	25.01/25.02
Atlantic Irish 64	70	15.94	15.93/15.92	Rep 64/65	80	25.04	25.01/25.02
Atlantic Irish 65	70	15.94	15.93/15.92	Rep 65/66	80	25.04	25.01/25.02
Atlantic Irish 66	70	15.94	15.93/15.92	Rep 66/67	80	25.04	25.01/25.02
Atlantic Irish 67	70	15.94	15.93/15.92	Rep 67/68	80	25.04	25.01/25.02
Atlantic Irish 68	70	15.94	15.93/15.92	Rep 68/69	80	25.04	25.01/25.02
Atlantic Irish 69	70	15.94	15.93/15.92	Rep 69/70	80	25.04	25.01/25.02
Atlantic Irish 70	70	15.94	15.93/15.92	Rep 70/71	80	25.04	25.01/25.02
Atlantic Irish 71	70	15.94	15.93/15.92	Rep 71/72	80	25.04	25.01/25.02
Atlantic Irish 72	70	15.94	15.93/15.92	Rep 72/73	80	25.04	25.01/25.02
Atlantic Irish 73	70	15.94	15.93/15.92	Rep 73/74	80	25.04	25.01/25.02
Atlantic Irish 74	70	15.94	15.93/15.92	Rep 74/75	80	25.04	25.01/25.02
Atlantic Irish 75	70	15.94	15.93/15.92	Rep 75/76	80	25.04	25.01/25.02
Atlantic Irish 76	70	15.94	15.93/15.92	Rep 76/77	80	25.04	25.01/25.02
Atlantic Irish 77	70	15.94	15.93/15.92	Rep 77/78	80	25.04	25.01/25.02
Atlantic Irish 78	70	15.94	15.93/15.92	Rep 78/79	80	25.04	25.01/25.02
Atlantic Irish 79	70	15.94	15.93/15.92	Rep 79/80	80	25.04	25.01/25.02
Atlantic Irish 80	70	15.94	15.93/15.92	Rep 80/81	80	25.04	25.01/25.02
Atlantic Irish 81	70	15.94	15.93/15.92	Rep 81/82	80	25.04	25.01/25.02
Atlantic Irish 82	70	15.94	15.93/15.92	Rep 82/83	80	25.04	25.01/25.02
Atlantic Irish 83	70	15.94	15.93/15.92	Rep 83/84	80	25.04	25.01/25.02
Atlantic Irish 84	70	15.94	15.93/15.92	Rep 84/85	80	25.04	25.01/25.02
Atlantic Irish 85	70	15.94	15.93/15.92	Rep 85/86	80	25.04	25.01/25.02
Atlantic Irish 86	70	15.94	15.93/15.92	Rep 86/87	80	25.04	25.01/25.02
Atlantic Irish 87	70	15.94	15.93/15.92	Rep 87/88	80	25.04	25.01/25.02
Atlantic Irish 88	70	15.94	15.93/15.92	Rep 88/89	80	25.04	25.01/25.02
Atlantic Irish 89	70	15.94	15.93/15.92	Rep 89/90	80	25.04	25.01/25.02
Atlantic Irish 90	70	15.94	15.93/15.92	Rep 90/91	80	25.04	25.01/25.02
Atlantic Irish 91	70	15.94	15.93/15.92	Rep 91/92	80	25.04	25.01/25.02
Atlantic Irish 92	70	15.94	15.93/15.92	Rep 92/93	80	25.04	25.01/25.02
Atlantic Irish 93	70	15.94	15.93/15.92	Rep 93/94	80	25.04	25.01/25.02
Atlantic Irish 94	70	15.94	15.93/15.92	Rep 94/95	80	25.04	25.01/25.02
Atlantic Irish 95	70	15.94	15.93/15.92	Rep 95/96	80	25.04	25.01/25.02
Atlantic Irish 96	70	15.94	15.93/15.92	Rep 96/97	80	25.04	25.01/25.02
Atlantic Irish 97	70	15.94	15.93/15.92	Rep 97/98	80	25.04	25.01/25.02
Atlantic Irish 98	70	15.94	15.93/15.92	Rep 98/99	80	25.04	25.01/25.02
Atlantic Irish 99	70	15.94	15.93/15.92	Rep 99/00	80	25.04	25.01/25.02
Atlantic Irish 00	70	15.94	15.93/15.92	Rep 00/01	80	25.04	25.01/25.02
Atlantic Irish 01	70	15.94	15.93/15.92	Rep 01/02	80	25.04	25.01/25.02
Atlantic Irish 02	70	15.94	15.93/15.92	Rep 02/03	80	25.04	25.01/25.02
Atlantic Irish 03	70	15.94	15.93/15.92	Rep 03/04	80	25.04	25.01/25.02
Atlantic Irish 04	70	15.94	15.93/15.92	Rep 04/05	80	25.04	25.01/25.02
Atlantic Irish 05	70	15.94	15.93/15.92	Rep 05/06	80	25.04	25.01/25.02
Atlantic Irish 06	70	15.94	15.93/15.92	Rep 06/07	80	25.04	25.01/25.02
Atlantic Irish 07	70	15.94	15.93/15.92	Rep 07/08	80	25.04	25.01/25.02
Atlantic Irish 08	70	15.94	15.93/15.92	Rep 08/09	80	25.04	25.01/25.02
Atlantic Irish 09	70	15.94	15.93/15.92	Rep 09/10	80	25.04	25.01/25.02
Atlantic Irish 10	70	15.94	15.93/15.92	Rep 10/11	80	25.04	25.01/25.02
Atlantic Irish 11	70	15.94	15.93/15.92	Rep 11/12	80	25.04	25.01/25.02
Atlantic Irish 12	70	15.94	15.93/15.92	Rep 12/13	80	25.04	25.01/25.02
Atlantic Irish 13	70	15.94	15.93/15.92	Rep 13/14	80	25.04	25.01/25.02
Atlantic Irish 14	70	15.94	15.93/15.92	Rep 14/15	80	25.04	25.01/25.02
Atlantic Irish 15	70	15.94	15.93/15.92	Rep 15/16	80	25.04	25.01/25.02
Atlantic Irish 16	70	15.94	15.93/15.92	Rep 16/17	80	25.04	25.01/25.02
Atlantic Irish 17	70	15.94	15.93/15.92	Rep 17/18	80	25.04	25.01/25.02
Atlantic Irish 18	70	15.94	15.93/15.92	Rep 18/19	80	25.04	25.01/25.02
Atlantic Irish 19	70	15.94	15.				

EP DECLARES 60-CENT DISTRIBUTION

Enserch Exploration Partners, Ltd., on December 6, 1985, declared a quarterly cash distribution of 60 cents per unit, payable January 3, 1986, to unitholders of record December 16, 1985. Enserch Exploration Partners, Ltd. (NYSE-EP), a Texas limited partnership, conducts substantially all the domestic oil and gas operations of ENSERCH Corporation (NYSE-ENS).

For additional information, please write to Benjamin A. Brown, Vice President, Financial Relations, Dept. M, ENSERCH Center, Box 999, Dallas, Texas 75221.

ENSERCH
EXPLORATION
PARTNERS, LTD.

[illegible]

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued from Page 12)

Symbol	High	Low	Open	Close
IBM	111 1/4	111 1/4	111 1/4	111 1/4
AT&T	47 1/4	47 1/4	47 1/4	47 1/4
GE	34 1/4	34 1/4	34 1/4	34 1/4
Westinghouse	26 1/4	26 1/4	26 1/4	26 1/4
Johnson & Johnson	54 1/4	54 1/4	54 1/4	54 1/4
Pfizer	28 1/4	28 1/4	28 1/4	28 1/4
Merck & Co.	31 1/4	31 1/4	31 1/4	31 1/4
Amgen	24 1/4	24 1/4	24 1/4	24 1/4
Boehringer Mannheim	22 1/4	22 1/4	22 1/4	22 1/4
Novartis	20 1/4	20 1/4	20 1/4	20 1/4
Schering-Plough	18 1/4	18 1/4	18 1/4	18 1/4
Glaxo	16 1/4	16 1/4	16 1/4	16 1/4
SmithKline Beecham	14 1/4	14 1/4	14 1/4	14 1/4
Wellcome	12 1/4	12 1/4	12 1/4	12 1/4
Roche	10 1/4	10 1/4	10 1/4	10 1/4
Novartis	8 1/4	8 1/4	8 1/4	8 1/4
Schering-Plough	6 1/4	6 1/4	6 1/4	6 1/4
Glaxo	4 1/4	4 1/4	4 1/4	4 1/4
SmithKline Beecham	2 1/4	2 1/4	2 1/4	2 1/4
Wellcome	1 1/4	1 1/4	1 1/4	1 1/4
Roche	1/4	1/4	1/4	1/4

Symbol	High	Low	Open	Close
Amgen	24 1/4	24 1/4	24 1/4	24 1/4
Boehringer Mannheim	22 1/4	22 1/4	22 1/4	22 1/4
Novartis	20 1/4	20 1/4	20 1/4	20 1/4
Schering-Plough	18 1/4	18 1/4	18 1/4	18 1/4
Glaxo	16 1/4	16 1/4	16 1/4	16 1/4
SmithKline Beecham	14 1/4	14 1/4	14 1/4	14 1/4
Wellcome	12 1/4	12 1/4	12 1/4	12 1/4
Roche	10 1/4	10 1/4	10 1/4	10 1/4
Novartis	8 1/4	8 1/4	8 1/4	8 1/4
Schering-Plough	6 1/4	6 1/4	6 1/4	6 1/4
Glaxo	4 1/4	4 1/4	4 1/4	4 1/4
SmithKline Beecham	2 1/4	2 1/4	2 1/4	2 1/4
Wellcome	1 1/4	1 1/4	1 1/4	1 1/4
Roche	1/4	1/4	1/4	1/4

U.S. Futures

Via The Associated Press

Dec. 17

Grains

COTTON

SOYBEANS

WHEAT

RICE

LIVESTOCK

CATTLE

PORK

HOGS

CHICKENS

EGGS

MILK

BUTTER

CHEESE

VEGETABLES

FRUITS

NUTS

SEEDS

FIBER

METALS

COPPER

ZINC

LEAD

NICKEL

SILVER

GOLD

PLATINUM

PALLADIUM

RHODIUM

IRIDIUM

OSMIUM

RUTHENIUM

COBALT

NIOBIUM

MOLYBDENUM

TUNGSTEN

ANTIMONY

ARSENIC

SULFUR

PHOSPHORUS

BORON

FLUORINE

CHLORINE

BROMINE

IODINE

ZINC

COPPER

SILVER

GOLD

PLATINUM

PALLADIUM

RHODIUM

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OSMIUM

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COBALT

NIOBIUM

MOLYBDENUM

TUNGSTEN

ANTIMONY

ARSENIC

Symbol	High	Low	Open	Close
IBM	111 1/4	111 1/4	111 1/4	111 1/4
AT&T	47 1/4	47 1/4	47 1/4	47 1/4
GE	34 1/4	34 1/4	34 1/4	34 1/4
Westinghouse	26 1/4	26 1/4	26 1/4	26 1/4
Johnson & Johnson	54 1/4	54 1/4	54 1/4	54 1/4
Pfizer	28 1/4	28 1/4	28 1/4	28 1/4
Merck & Co.	31 1/4	31 1/4	31 1/4	31 1/4
Amgen	24 1/4	24 1/4	24 1/4	24 1/4
Boehringer Mannheim	22 1/4	22 1/4	22 1/4	22 1/4
Novartis	20 1/4	20 1/4	20 1/4	20 1/4
Schering-Plough	18 1/4	18 1/4	18 1/4	18 1/4
Glaxo	16 1/4	16 1/4	16 1/4	16 1/4
SmithKline Beecham	14 1/4	14 1/4	14 1/4	14 1/4
Wellcome	12 1/4	12 1/4	12 1/4	12 1/4
Roche	10 1/4	10 1/4	10 1/4	10 1/4
Novartis	8 1/4	8 1/4	8 1/4	8 1/4
Schering-Plough	6 1/4	6 1/4	6 1/4	6 1/4
Glaxo	4 1/4	4 1/4	4 1/4	4 1/4
SmithKline Beecham	2 1/4	2 1/4	2 1/4	2 1/4
Wellcome	1 1/4	1 1/4	1 1/4	1 1/4
Roche	1/4	1/4	1/4	1/4

Dec. 17

Metals

COPPER

ZINC

LEAD

NICKEL

SILVER

GOLD

PLATINUM

PALLADIUM

RHODIUM

IRIDIUM

OSMIUM

RUTHENIUM

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NIOBIUM

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BUSINESS ROUNDUP

Texas Air Corp. Restates Interest in Buying TWA

Compiled by Our Staff From Dispatches
NEW YORK — Texas Air Corp. as indicated that it is still interested in acquiring Trans World Airlines for \$22 a share in cash if WA's merger agreement with an C. Icahn, a New York financier, were terminated without liability to the airline.

TWA disclosed Tuesday that it had received the offer in a letter from Texas Air's chairman, Frank Lorenzo. It added that it will be meeting with Mr. Icahn to discuss the status of their existing merger agreement and the Texas Air offer.

Texas Air and TWA had earlier reached a tentative agreement to merge, but the accord foundered on opposition from TWA's unions.

WA subsequently accepted a offer from Mr. Icahn after he had won effective control of the airline through open-market purchases of its stock.

The renewed overture comes amid persistent reports that Mr. Icahn is having trouble financing a takeover of TWA and may attempt to reduce the cash portion of an offer.

Mr. Icahn, who already owns 51 percent of TWA's stock, has offered to buy the rest for \$24 a share. The offer consists of \$19.50 a share in cash and \$4.50 a share in a new convertible preferred stock.

In his letter to TWA, Mr. Lorenzo said Texas Air supports the current merger agreement. But he urged TWA to consider other options if the agreement was significantly amended.

"Texas Air is willing, upon the termination of the Icahn merger agreement without liability to TWA or payments to Icahn, to enter into a merger agreement with TWA on mutually satisfactory terms," Mr. Lorenzo stated in his letter to TWA's board.

"Based on its knowledge of TWA, Texas Air believes that it will be able to obtain the financing necessary to consummate such a merger," Mr. Lorenzo said.

He also indicated a willingness to negotiate with TWA's unions in an effort to win cost savings comparable to those sought by Mr. Icahn.

TWA's three principal unions vigorously opposed Mr. Lorenzo's earlier bid for the airline because of what they called his anti-union activities at Continental Airlines.

After acquiring control of Continental, Mr. Lorenzo took the carrier into Chapter 11 bankruptcy protection and abrogated its labor agreements. (UPI, Reuters)

Toshiba, LSI Sign Accord
Tokyo — Toshiba Corp. of Japan announced Tuesday that it had signed an agreement with LSI Logic Corp. of the United States to cooperate in marketing semiconductors in Japan.

When the restrictions run out in March, reports that the restraints would be ended arose from comments by Eiji Toyoda, chairman of Toyota, last week in Lexington, Kentucky. He was there to announce the construction of an \$800-million Toyota assembly plant.

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Thyssen Resumes Dividends With Payout of 5 DM

DUISBURG, West Germany — Thyssen AG, the diversified steels, engineering and trading group, said Tuesday that it would resume paying a dividend this year after a two-year hiatus caused by heavy losses.

Thyssen gave no specific net profit for the year ending Sept. 30, but said it would pay 5 Deutsche marks (\$1.98) per 50-DM share on the results. It last paid 2 DM for the year ending Sept. 30, 1982. Net profit for the 1983-84 year was 181 million DM.

The dividend payment will be on higher capital of about 1.56 billion DM following a nominal increase of 260 million DM earlier this year through a one-for-five rights issue. The new shares are entitled to full 1984-85 dividend.

Thyssen said all divisions operated profitably, while subsidiaries made a good contribution to the overall result.

The company said that third-party sales rose 7 percent to 34.8 billion DM. Overall sales from capital goods and processing operations increased 6 percent last year to 10.4 billion DM, Thyssen said.

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Petrofina Launches a Bid For Charterhouse Petroleum

Compiled by Our Staff From Dispatches
LONDON — Petrofina SA of Belgium, one of the world's largest oil companies, launched a £145-million (\$208-million) takeover bid on Tuesday for Charterhouse Petroleum PLC, a London-based oil investment firm.

Charterhouse management has recommended to its shareholders that the offer be accepted. The British firm has interests in several North Sea oil fields.

Petrofina has been working in Britain for nearly 60 years. Its Petrofina (UK) Ltd. has a refinery, a chain of service stations and shares in various North Sea oil concessions.

The merger of Petrofina's British exploration and production interests with Charterhouse will be on the basis of three new shares of no par value and £59 in cash for every 295 Charterhouse ordinary shares.

Petrofina already owns 1.7 million ordinary Charterhouse shares. The offer would increase its stake to 1.25 percent of the total. Full acceptance would involve the issue of as many as 1.36 million new Petrofina shares, or 7.3 percent of the enlarged share capital.

This does not take into account any further Charterhouse shares issued on the exercise of outstanding options.

Separate proposals would be made to option holders to subscribe for ordinary Charterhouse shares on terms that reflected the terms of the offer.

Petrofina said it would offer each Charterhouse shareholder the opportunity to take either more cash or more new Petrofina shares.

Application would be made for the new Petrofina shares to be admitted to listing on the Brussels and Antwerp exchanges.

Charterhouse shares surged 35 pence Tuesday on the London Stock Exchange, to 101 pence, from Monday's close of 66 pence each.

In Brussels, Petrofina shares closed Tuesday at 6,510 Belgian francs (\$126.55), down from 6,690 francs at Monday's close.

In the first half ending in June, Charterhouse said pretax profit fell 0.27 percent to £11.3 million from £13.4 million in the first 1984 half. Sales slipped 0.04 percent to £36.5 million from £38.1 million.

Petrofina reported parent company net profit rose 0.10 percent to 8.73 billion francs in the first half of 1985 from 7.91 billion francs in first half 1984.

Charterhouse said it intended to pay a second interim dividend for the 1985 year of 0.75 pence net in lieu of a final dividend.

Dividends for 1985 would therefore total 1.25 pence net compared with 1.0 pence in 1984. The dividend will be paid 21 days after the Petrofina offer becomes unconditional to shareholders.

Amoco Adopts Budget With Cuts From 1985
CHICAGO — Amoco Corp. said Tuesday that its directors had approved a 1986 capital and exploration budget of \$5 billion, 10 percent below the estimated 1985 spending level.

Amoco said that 80 percent of the budget was designated for worldwide exploration and production activities.

Brokerage Fails In Singapore
SINGAPORE — The Stock Exchange of Singapore said Tuesday that it had taken over a brokerage firm, Associated Asian Securities, which had run into trouble as a result of the sharp fall in stock market prices early this month.

The stock exchange refused to give details of the takeover, the second incident of its kind in the exchange's history. The Straits Times newspaper said the action took effect Dec. 6.

That was the day after trading resumed on stock markets in Singapore and Kuala Lumpur, Malaysia, following an unprecedented three-day suspension of trading precipitated when Pan-Electric Industries Ltd. went into receivership.

When the markets reopened, share prices fell 20 percent to 30 percent across the board.

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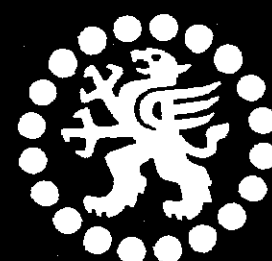
FINTER BANK ZURICH

The Board of Directors of Finter Bank Zurich has appointed, effective 1st January 1986,

Mr. Otto Berther,
General Manager and Executive Vice President

Mr. Gianni Meregalli,
First Senior Vice President
of Lugano and Chiasso Branch Offices.

Midland Bank Trust Corporation in the Channel Islands



We offer a full range of banking and trust services including:
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Midland Bank Trust Corporation (Channel Islands) Limited
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Telephone: Guernsey (0481) 2706. Telex: 430156
Manager: B. V. J. H. H. H. H.

Midland Bank Trust Corporation (Jersey) Limited
P.O. Box 24, 22 South Street, St. Helier
Telephone: Jersey (0534) 72156. Telex: 430156
General Manager: G. A. Berther

Members of
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For Midland Bank Trust Corporation (Channel Islands) Limited, 22, South Street, St. Peter Port, Guernsey, GY1 2AA. Please send me details of Midland Bank Trust Corporation's services in Jersey.

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Address _____
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HT 18/12

Nakasone Says No Decision Taken to End Car Quotas

TOKYO — Japan has made no decision yet on whether to continue temporary restrictions on car exports to the United States, Prime Minister Yasuhiro Nakasone has said, according to government sources.

They said Tuesday that Mr. Nakasone told Howard H. Baker Jr., a former majority leader of the U.S. Senate who was visiting Japan, that U.S. newspaper reports are wrong in suggesting that Japan would end the four-year-old restraints in March.

However, Shirochiro Toyoda, president of Toyota Motor Corp., said Tuesday that he would argue against any extension of the restrictions.

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Tuesday's AMEX Closing									
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press									
12 Month	Stock	Div.	Yld.	PE	52 Wk. High	52 Wk. Low	Open	Close	Change
12/17	ADP	1.00	4.0	15.0	110.0	95.0	108.0	108.0	+1.0
12/17	ADP	1.00	4.0	15.0	110.0	95.0	108.0	108.0	+1.0
12/17	ADP	1.00	4.0	15.0	110.0	95.0	108.0	108.0	+1.0
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Fri days
in the Trib.

Get the latest low-down on high-tech in the weekly column on **Technology**.



Plants have fed the world and cured its ills since life began. Now we're destroying their principal habitat at the rate of 50 acres every minute.

We live on this planet by courtesy of the earth's green cover. Plants protect fragile soils from erosion, regulate the atmosphere, maintain water supplies for agriculture and prevent formation of deserts. Without plants man could not survive.

Yet, knowing this, we are destroying our own life-support system at such an alarming rate that it has already become a crisis - a crisis for ourselves and an even bigger one for our children.

The figures alone should tell the story - we destroy a tropical rain forest three times the size of Switzerland every year; within 25 years only fragments of the vast Malaysian and Indonesian forests will remain.

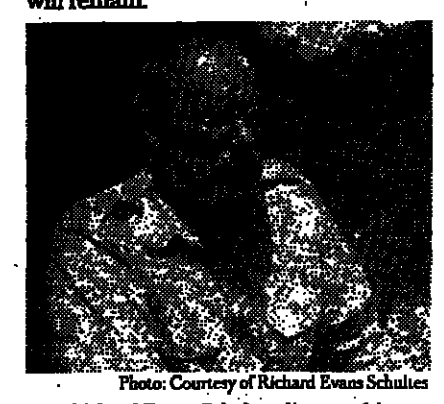


Photo: Courtesy of Richard Evans Schultes

Dr. Richard Evans Schultes, director of the Botanical Museum at Harvard University, has spent 13 years in the Amazon jungle collecting the "magic" plants of myth and legend and making them available to Western medicine and science. "The drugs of the future," he says, grow in the primeval jungle.

What we are destroying

Much of the food, medicines and materials we use every day of our lives is derived from the wild species which grow in the tropics. Yet only a tiny fraction of the world's flowering plants have been studied for possible use. Horrifyingly, some 25,000 of all flowering species are on the verge of extinction.

Once the plants go, they are gone forever. Once the forests go only wastelands remain.

Photo: (Fore) Bruce Coleman/Bruce Coleman

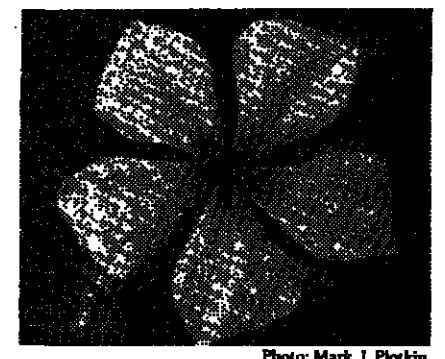


Photo: Mark J. Florkin

Cathartus rosens. Many of the world's children who have suffered from leishmaniasis are now alive due to the properties discovered in the ray peroxide, which originated in Madagascar where 90% of the forests are already destroyed.

Who is the villain?

There is no villain - except ignorance and short-sightedness. The desperately poor people who live in the forests have to clear areas for crops and fuel, but they are doing this in such a way that they are destroying their very livelihood.

Add to this the way in which the heart is being ripped out of the forests to meet the demand for tropical timbers and we have a recipe for disaster.



Photo: WWF/H. Jung

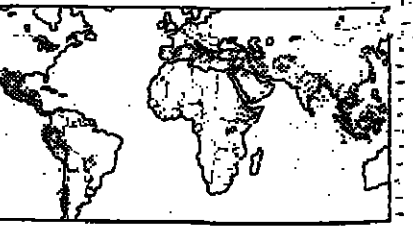
Disease-resistant potatoes, obtained by cross-breeding wild potatoes from the Andes with domestic varieties, ensure that Ireland will never again experience the blight disease which wiped out its entire crop, leaving a million people to die of starvation.

What can be done about it?

The problem seems so vast that there is a tendency to shrug and say "What can I do?" But there is an answer. There is something that each and every one of us can do.

The WWF Plant Conservation Programme

The World Conservation Strategy, published in 1980, is a programme for conserving the world's natural resources whilst managing them for human needs. A practical, international plant conservation programme has been prepared based on WCS principles and is now well under way all around the world.



The Varadero Centres. Named after the Russian scientist who identified them. These are the regions in which our major crop plants were first domesticated. Many of these regions contain wild or semi-domesticated relatives of commercial species which can be cross-bred with crop plants to increase yield and resistance to pests and diseases.

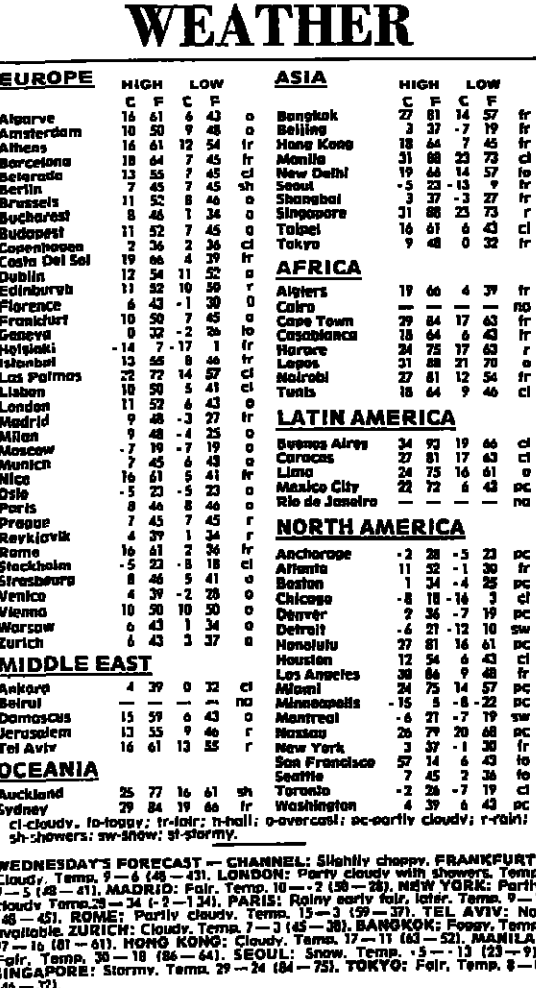
You can become part of it

The WWF Plant Conservation Programme is a plan for survival which you can help make a reality. Join the World Wildlife Fund now. We need your voice and your financial support.

Get in touch with your local WWF office for membership details, or send your contribution direct to the World Wildlife Fund at: WWF International, Membership Secretary, World Conservation Centre, 1196 Gland, Switzerland.

Save the plants that save us.

WWF FOR WORLD CONSERVATION

[illegible][illegible]

22% + 17% = 39%

SEATTLE: Fair. Temp. 30-38 (86-64). SEOUL: Snow. Temp. -5--13 (23-9).
SINGAPORE: Stormy. Temp. 29-34 (84-93). TOKYO: Fair. Temp. 8-14 (46-57).

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SPORTS

Riggins' Glorious, and Outrageous, Career With Redskins Appears Over

By Ira Rosenfeld

The Associated Press

WASHINGTON — After bulldozing past National Football League tacklers for 14 years, it is likely that John Riggins has played his last game for the Washington Redskins.

Riggins did not play in the 17-12 victory over Philadelphia on Dec. 8 or in the 27-24 defeat of Cincinnati last Sunday. The game against the Eagles was the last in which a healthy Riggins had not played. Afterward, he told the running backs' coach, Don Brown, "I think I have just spent the first day of the rest of my life."

Last Sunday in RPK Stadium he made a ceremonial entrance, with the starting team, was cheered by fans and teammates, then ran back to the bench so George Rogers could start the game.

Rogers, the former star of the New Orleans Saints who was acquired between seasons, rushed for 150 yards and scored a touchdown against the Eagles. Against the Bengals, he scored the winning

touchdown on a long run in the closing minutes of the game, keeping the Redskins in the running for a spot in the playoffs.

The coach, Joe Gibbs, had offered to start Riggins in the team's final home game, as a gesture to the man who helped the Redskins win three straight NFC East Division titles, two conference championships and a Super Bowl championship. Riggins refused Gibbs' offer and, after a season of being alternated as the lone running back with Rogers, appears to have been pushed aside. He is not expected to return to the Redskins next season.

"It would take a miracle for John to come back," said one team official, who asked not to be identified.

At 36, Riggins is the oldest running back in the league and the highest paid, earning more than \$825,000. He will become a free agent after the season and Redskins officials have said privately there are no plans to offer him a new contract.

"To bring him back would just hurt the team

and continue to impede the progress of George," said another high-ranking team official who asked not to be identified.

"The truth is no matter what John has done in the past, this is a young man's game."

Riggins retorted last Thursday that "I ain't hanging nothing up." Then he added, with a laugh, "Of course, I might be wearing a different colored uniform" next season.

Whether or not he tries to play another season, he already has shattered the myth that a running back's best years are before age 30.

Since his 30th birthday in 1980, Riggins has run for more than 100 yards in a game 22 times, with an NFL record six in a row during the playoffs. He has scored 71 touchdowns and rushed for more than 1,000 yards three times.

"Don't tell me John is too old for this game," said the Redskins' center Jeff Bostic. "It would not surprise me if he decided to play another year, another five years, whatever he wants."

Only the second player in NFL history to score

100 touchdowns rushing, Riggins has eight this year and is 10 shy of Jim Brown's record of 106. With 677 yards rushing this season, he moved past O.J. Simpson into fourth place on the league's all-time rushing list at 11,352.

"What separates John from the rest is his tremendous consistency," said the Redskins' veteran tight end, Rick Walker. "You can give John the ball and he would eat up the clock, picking up 2, 3 or 4 yards. Then when you got inside the 10-yard line, you knew it was Riggins' time. Inside the 10 with John was as good as gold."

"Not just to the fans but to the players, John is a legend," said the linebacker Neal Olkewicz.

An all-America at the University of Kansas, Riggins was the No. 1 draft choice of the New York Jets in 1971 and led them in receiving and rushing as a rookie. Before playing out his option with them, in 1975, he would run for more than 3,800 yards and 31 touchdowns.

He also led the Jets and Redskins in outrageous

acts, showing up one year with a Mohawk haircut, another with his toenails painted purple, and always on a motorcycle.

His nine-year career in Washington was interrupted for one season, 1980, which he sat out in a contract dispute. When the team faltered without him, the coach, Jack Pardee, was fired and Riggins returned in triumph.

Although he was arrested for public drunkenness and was criticized for what some considered an insulting remark to Supreme Court Justice Sandra Day O'Connor — he apologized for both incidents — Riggins still can do no wrong in the eyes of his fans and teammates.

"He keeps the game in perspective. If you watched John play and knew what he was like during the week you knew you didn't have to be a drill sergeant to play this game," Walker said.

"If you are lucky, you meet a character like John once in a lifetime," Bostic said. "When you do, you never forget him, never want to say goodbye."

teamy Summer Awaits World Cup Teams

ONDON — So, putting that earthquake behind it, the family of soccer is making full steam ahead to a World Cup in Mexico June.

Lady Luck has shaken a tail remarkably similar to a torpede of politics and favor might have been arranged by ruling International Federation of Football Associations (FIFA).

So the VIPs and the remaining commentators, whose stations had paid the price were squeezed into a television studio.

It was only natural that Televisa, the Mexican TV company, control the shots. Televisa has business relationships with the FIFA hierarchy — grandfather Guillermo Canedo is a partner of Emilio Ascaraga, Televisa's chief shareholder — it has a major stake in Aztec Stadium, it pays the World Cup organizing committee's bills and it was because of Televisa's connections that this World Cup was switched, out of turn, to Mexico once Colombia abandoned responsibility for staging it.

Soon, because of Televisa, and the demands of Europe for "live" World Cup thrills, many potentially fine matches will be grilled under a midday sun.

The opening match, Italy versus Bulgaria, kicked off at noon, and it was a stifling humdrum of a stalemate between two nations more given to caution than flamboyance, but who will have to try to find their way through high altitude and low stamina.

As the draw was completed Hungary met Mexico in a friendly match. Hungary, one of Europe's more confident contenders, was not expected to be the favorite.

vast numbers of people would tune to the draw of lots would you? Wrong. FIFA budgeted for 1,000 VIPs at the scene, and 100 million viewed from home.

The auditorium of Mexico City's central hospital, a medical showpiece, was to have been the venue for the draw, but it fell with the homes of some 40,000 citizens last September.

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Uruguay (the South American champion) and Scotland (a better team with mountains to climb).

"It will be tough, very tough. We need a lot of luck to survive this group," Beckenbauer said.

Survival of another sort, that of a quirky climate, faces Poland, England, Portugal and Morocco. They compete in the north in Monterrey, and Poland's captain, Zbigniew Boniek, observed: "For us the venue will be a bigger problem than the teams against us."

The English will be relieved he said that. Somehow the suspicion lurks that England's manager, Bobb Robson, knew Monterrey would be his fate. The animosity has built since a year ago when he chose to say that "Monterrey will be the short straw of the draw." He meant the low altitude and "the intense heat of the industrial city."

Unforgivably, the Mexicans have thrown in Monterrey with its altitude of 538 meters (1,764 feet) a mere quarter that of the 11 other stadiums. The problems include whether to go ahead with high altitude training or to instead get to Monterrey and try to adjust to the extreme heat.

The English had booked a stay in Colorado, but now may camp in the mountains outside Monterrey, living at 1,500 meters and coming down to train. But should England or Poland win the group, in the second round they will have to move up quickly to 2,500 meters or more. Should they come in second, the next round and possibly the quarterfinal would be in Monterrey, giving them an advantage — until the semifinals, which definitely will be played in thinner air.

The two groups everyone wanted to avoid were last out of the bowls. Franz Beckenbauer, whose style is to sound positive even when he is not, shudders at facing Denmark (the dark horse of the tournament).



Garin Veris (60), the Patriots' defensive end, knocked the ball away from the Dolphins' Tony Nathan and recovered it during the second quarter of a rainy game in Miami. The Dolphins won, 30-27, on a field goal late in the contest.

Dolphins Kick Pats Out of AFC East Lead

By Bob Oates

Los Angeles Times Service

MIAMI — The Miami Dolphins slipped past the New England Patriots, 30-27, on Monday night and now only the lowly Buffalo Bills stand in their way of winning the championship of the AFC East.

A fumble late in the rainy game made it close, but Dan Marino quarterbacked the Dolphins to a winning field goal in the last four minutes and the Patriots had lost an 18th straight at the Orange Bowl.

"I still think we've got a great defense," said the New England coach, Raymond Berry. "The 30 points? That quarterback — what's his name? — had something to do with it."

Although the Dolphins missed a couple of chances to put their old division rivals away earlier, they led by 27-13 in the fourth quarter, when the Patriots scored twice in six seconds to tie.

Quarterback Tony Eason got the Patriots close with a touchdown march. Then, on the kickoff, Rod McSwain knocked the ball away from Miami's Joe Carter, a normally reliable running back, and Cedric Jones carried it into the end zone.

"We sure find ways to make it interesting," said Miami's coach, Don Shula.

But Marino kept his cool in the rain. With passes to the wide receiver Mike Duper and Mark Clayton and to the tight end Bruce Hardy, he put the ball in position for Fusi Kevitz to kick his third field goal, from 47 yards.

"Against the Patriot defense, you have to bite, scratch and claw for everything you get," said Shula.

After the field goal the drama continued when Eason brought the Patriots down the field again, but safety Glenn Blackwood ended their hopes with an interception.

"Just in time," said Marino. "I knew the game wasn't over when we had that 27-13 lead. They can really come up with the big plays. New England has a physical, aggressive defense."

It did not always look that way. The Patriots chose to cover Marino's receivers more often than they put a big rush on the quarterback. But Marino felt bothered even so.

His problem was the New England linebackers, particularly Andre Tippett. When the Dolphins were bounding toward what appeared to be a halftime lead of 24-7, or at least 20-7, Tippett sacked Marino for a second time and forced the fumble that cost a scoring chance at the New England 25.

Eason's problem was his coaches, who turned conservative at some strange times. When the Dolphins lost the ball to the Patriots on a fumble at the Miami 21 in the third quarter, they ran on seven consecutive plays before settling for a field goal.

Afterward, Eason was still worrying about his last pass, intercepted by Blackwood.

"I overthrew" the receiver Derrick Ramsey, he said. "He was behind his man when he was supposed to be. I saw Blackwood. The rain was not a factor."

FOREBOARD

Basketball

National Basketball Association Leaders

Through Dec. 15	Team	W	L	Pct.	Points	Rebounds	Assists	Steals	Blocks
1	San Antonio Spurs	23	10	.697	109.2	30.8	22.1	10.1	3.1
2	Los Angeles Lakers	22	11	.667	108.5	30.1	21.5	9.8	2.9
3	Phoenix Suns	21	12	.633	107.1	29.5	20.8	9.5	2.8
4	Golden State Warriors	20	13	.606	106.4	28.9	20.1	9.2	2.7
5	Portland Trail Blazers	19	14	.577	105.1	28.2	19.4	8.9	2.6
6	Utah Jazz	18	15	.545	103.8	27.5	18.7	8.6	2.5
7	San Diego Clippers	17	16	.512	102.5	26.8	18.0	8.3	2.4
8	Seattle SuperSonics	16	17	.481	101.2	26.1	17.3	8.0	2.3
9	Phoenix Suns	15	18	.450	100.0	25.4	16.6	7.7	2.2
10	Los Angeles Lakers	14	19	.423	98.7	24.7	15.9	7.4	2.1
11	San Antonio Spurs	13	20	.392	97.4	24.0	15.2	7.1	2.0
12	Golden State Warriors	12	21	.361	96.1	23.3	14.5	6.8	1.9
13	Portland Trail Blazers	11	22	.330	94.8	22.6	13.8	6.5	1.8
14	San Diego Clippers	10	23	.300	93.5	21.9	13.1	6.2	1.7
15	Seattle SuperSonics	9	24	.271	92.2	21.2	12.4	5.9	1.6
16	Phoenix Suns	8	25	.240	90.9	20.5	11.7	5.6	1.5
17	Los Angeles Lakers	7	26	.211	89.6	19.8	11.0	5.3	1.4
18	San Antonio Spurs	6	27	.182	88.3	19.1	10.3	5.0	1.3
19	Golden State Warriors	5	28	.151	87.0	18.4	9.6	4.7	1.2
20	Portland Trail Blazers	4	29	.120	85.7	17.7	8.9	4.4	1.1
21	San Diego Clippers	3	30	.091	84.4	17.0	8.2	4.1	1.0
22	Seattle SuperSonics	2	31	.060	83.1	16.3	7.5	3.8	.9
23	Phoenix Suns	1	32	.030	81.8	15.6	6.8	3.5	.8

Football

American Conference

Team	W	L	T	Pct.	Points	Rebounds	Assists	Steals	Blocks
1	San Antonio Spurs	23	10	.697	109.2	30.8	22.1	10.1	3.1
2	Los Angeles Lakers	22	11	.667	108.5	30.1	21.5	9.8	2.9
3	Phoenix Suns	21	12	.633	107.1	29.5	20.8	9.5	2.8
4	Golden State Warriors	20	13	.606	106.4	28.9	20.1	9.2	2.7
5	Portland Trail Blazers	19	14	.577	105.1	28.2	19.4	8.9	2.6
6	Utah Jazz	18	15	.545	103.8	27.5	18.7	8.6	2.5
7	San Diego Clippers	17	16	.512	102.5	26.8	18.0	8.3	2.4
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9	Phoenix Suns	15	18	.450	100.0	25.4	16.6	7.7	2.2
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23	Phoenix Suns	1	32	.030	81.8	15.6	6.8	3.5	.8

National Conference

Team	W	L	T	Pct.	Points	Rebounds	Assists	Steals	Blocks
1	San Antonio Spurs	23	10	.697	109.2	30.8	22.1	10.1	3.1
2	Los Angeles Lakers	22	11	.667	108.5	30.1	21.5	9.8	2.9
3	Phoenix Suns	21	12	.633	107.1	29.5	20.8	9.5	2.8
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22	Seattle SuperSonics	2	31	.060	83.1	16.3	7.5	3.8	.9
23	Phoenix Suns	1	32	.030	81.8	15.6	6.8	3.5	.8

College Top 20s

Team	W	L	T	Pct.	Points	Rebounds	Assists	Steals	Blocks
1	San Antonio Spurs	23	10	.697	109.2	30.8	22.1	10.1	3.1
2	Los Angeles Lakers	22	11	.667	108.5	30.1	21.5	9.8	2.9
3	Phoenix Suns	21	12	.633	107.1	29.5	20.8	9.5	2.8
4	Golden State Warriors	20	13	.606	106.4	28.9	20.1	9.2	2.7

OBSERVER

Gifts for the Cometose

By Russell Baker

NEW YORK — Please don't think me blasé when I say the approach of Halley's comet does not make my pulse flutter. It is a simple case of disillusion. A few years ago I got terribly worked up about another comet and had my heart broken when it failed to show up.

That comet was named Kohoutek. Sure, Kohoutek was out there somewhere. People with access to the Mount Wilson Observatory could even see it. But to us of the naked-eye set, Kohoutek was a dud.

My children were then young enough to be flabbergasted by my wisdom, or so I thought, and I had filled them with a great deal of wisdom about this Kohoutek, which we would soon see in glorious flashing color with our own naked eyes.

Finally, growing impatient myself—for the newspapers, after the excited frothings of their astronomy experts, had fallen ominously silent—I sighted it one twilight in the Maryland sky. I was driving an interminable turnpike with the family sealed in a sedan when I spotted a beautiful light hovering over faraway Baltimore.

"There it is," I cried. "Kohoutek."

All the children responded at once in chorus: "That's not a comet. That's just Venus, the evening star." I had had no use for comets since.

The Boston Globe's distinguished nature columnist, M.R. Montgomery, says this attitude is appropriate, since Halley's comet is merely a chunk of ice flying predictably eccentric orbits around the sun.

I cited Montgomery last week to a person very dear to me when she said I must be thrilled about the approach of Halley's comet. "Far from it," I said. "It is merely a piece of ice, and its arrival at this time is a rather dull mathematical inevitability."

This thoughtless outburst produced signs of dismay in the young woman. Interpreting them immediately with absolute accuracy, I instantly added, "Nevertheless, I wish with all my heart that I had binoculars or a telescope so that I

might observe this astonishing phenomenon of heavenly refrigeration."

This retrieved an awkward situation, for the sweet child, slavishly obeying the current avalanche of advertising advice on what to get dad, hubby or gramps for Christmas, had obviously bought either a telescope or binoculars to help me enjoy Halley's comet to its fullest.

Al well, I thought, it will be easy to burble happily about either binoculars or telescope when the gifts are opened since with either one I can sit on the roof and stare at the craters of the moon while the rest of them are gazed by "Knof's Landing" to the TV set.

Two days later a young man who is very close to me telephoned. "I guess you're really excited about Halley's comet, right?" he said.

"The only reason I have insisted on living to my present advanced age is so I could catch Halley's comet this time around."

Well, perhaps the girl was giving me binoculars and the boy a telescope. With a telescope I could sit on the roof and see the rings of whichever planet it is that has the rings. I should know its name, I suppose, but life is too short to master both the solar system and the wines of Bordeaux, and though I am uncertain which planet has the rings I know exactly which wine should be drunk while examining such planets through a telescope.

A few minutes later my wife arrived home carrying a telescope-shaped shopping bag.

By bedtime my godmother and Aunt Dolly had both phoned to confirm their suspicions that the approach of Halley's comet had me more excited than any phenomenon since the scene in "Hell's Angels" in which Jean Harlow appeared in a bathtub.

After Christmas, up on the roof, I shall be well equipped in case a similar scene is playing behind some uncurtained window in the neighborhood. So will a lot of other dads, husbands, gramps, godsons and favorite nephews, thanks to the late Halley. Science these days may be just one piece of depressing news after another, but in almost every instance it also offers some small reward for mankind.

New York Times Service

'New' Hemingway Novel on Bisexuality

By Edwin McDowell

New York Times Service

NEW YORK — An unpublished novel that Ernest Hemingway worked on over the course of 15 years will be published in May by Charles Scribner's Sons. "The Garden of Eden," deals with a young American writer and his wife of three weeks, both of whom are attracted to the same woman.

The novel's treatment of bisexuality is a departure from the masculine themes popularly associated with Hemingway. "It shows a lot of the tenderness and vulnerability that was usually obscured by his public image," said Tom Jenks, who edited the manuscript.

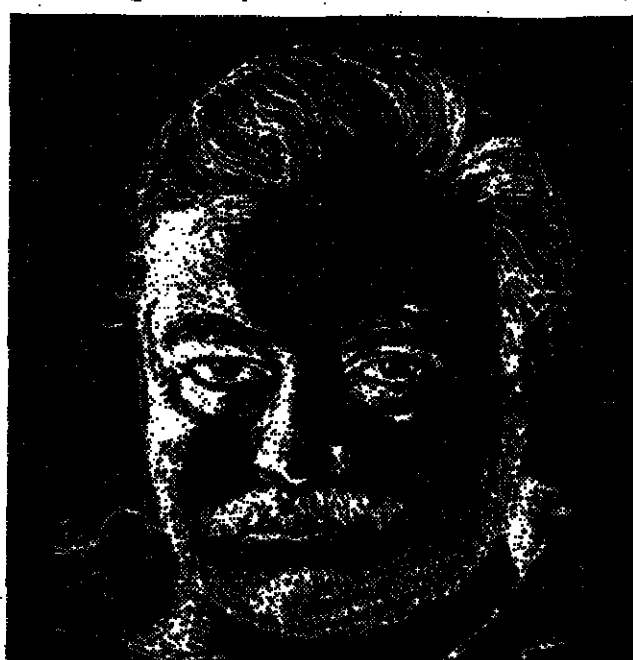
The theme also helps explain why the book is being published only now, 24 years after Hemingway's death. "The theme of bisexuality is not as strange today as it was 25 years ago," said Charles Scribner Jr., chairman of Charles Scribner's Sons, which has published Hemingway since 1926. He said that several editors, himself included, "took a crack at editing the work," but the publishing house was never satisfied with the results until now.

Scribner's describes the book, begun in 1946 and worked on at intervals until shortly before the author's death in 1961, as Hemingway's "last unpublished major work," although a 1928 novel of 300 handwritten pages exists among the Hemingway papers at the John F. Kennedy Library in Cambridge, Massachusetts.

Griffin, a Hemingway biographer and one of the few people to have read that manuscript, said the Scribner claim was probably accurate because the earlier novel was incomplete and badly flawed.

Professor Carlos Baker, in a biography of Hemingway, described "The Garden of Eden" as "an experimental compound of past and present, filled with astonishing metaphors and based in part upon memories of his marriage" to Hadley Richardson and Pauline Pfeiffer.

Baker noted that the opening local, the scene of the novel, Grand-du-Rhône, France, at the foot of the Rhône estuary, was where Hemingway spent his honeymoon with Pfeiffer in May 1927.



Like Hemingway at that time, the hero, David Bourne, has been married only three weeks and is the author of a successful novel. His wife, Catherine, shares his hunger and his pleasures. According to Baker, "Their nights were given to experiments with the transfer of sexual identities in which the assumed name of Pete and the name of Catherine."

Baker, noting that the novel was partly used in the development of "Across the River and Into the Trees," said that "it had none of the fast nervousness of Ernest's best fiction, and was so repetitious that it seemed interminable." He noted that it ran to 48 chapters and more than 200,000 words.

That repetition presumably has been pruned in the editing by Jenks, who worked on the novel for five months to reduce it to 30 chapters and one-third its original length. "What is important," Jenks said, "is that there's nothing in the book that is not Hemingway. The book is absolutely identical to the structure — scene by scene, chapter by chapter, line by line."

Scribner said Mary Hemingway, the author's widow, brought the manuscript to the company

more than 20 years ago. "I don't think anybody could accuse us of rushing into print with it, but when dealing with a posthumous work by a world-class author like Ernest Hemingway you have a responsibility to exercise great care," he said.

"The Garden of Eden" will be the 10th posthumous Hemingway book. The others include "Ernest Hemingway: Selected Letters, 1917-1961," edited by Baker; "Hemingway in the Stream," a novel about the dissolution of a painter's family; and "A Moveable Feast," sketches of Hemingway's life and acquaintances in Paris.

Earlier this year, Scribner's published "The Endless Summer," a sharply edited version of Hemingway's chronicle of the Spanish bullfight season of 1959. That book was on The New York Times best-seller list for seven weeks.

Griffin's recently published biography, "Along With Youth: Hemingway, the Early Years" (Oxford University Press), contains five previously unpublished short stories that Griffin found among the Hemingway papers. And on Friday, Scribner will publish "Hemingway: The American Years" (172 dispatches Hemingway wrote for The Toronto Star in 1920-24).

PEOPLE

'Brazil' Gets Oscar Shot

Critics generally praised the

Hemingway letters and "A Moveable Feast," but many thought it a mistake to issue "Islands in the Stream." "We did get it in the neck quite a bit from 'amateur experts,'" Scribner said. But he said it was "overjoyed" when the critic Edmund Wilson "said he thought it certainly should be published and that it included some of Hemingway's finest work."

"He also said it was proper to explain that Hemingway's work had not been completed," Scribner said. "We have also stated that Hemingway's work on this book was not in its final form. And having said that, there is absolutely no harm and nothing wrong in our publishing the book with that disclaimer."

Griffin agreed. "He made lots of indications on the manuscripts of things to be changed," he said, "and when he went back he would often interject signs in his writing to indicate he didn't like it. If someone really knows his stuff, he can tell where Hemingway should be cut."

Jenks said he began with three Hemingway versions of "The Garden of Eden" — a 400-page version, one of 1,200 pages, and a copy of the 1,200-page manuscript to which Hemingway had added about 300 pages. Jenks said he read and compared them all, but in the end worked from the longest one.

"The cutting I did involved taking out a subplot in a very rough draft that he had not integrated into the main body of the novel. But within the unfinished manuscript was a complete and major work that is absolutely authentic to Hemingway's work as a whole."

Jenks said his first question, upon approaching the manuscript, was, "Is there a book here that should be published for readers?" He was satisfied that the answer was yes, he said.

"When you go into something like this," he said, "you go totally under the law established by the writer — in this case, the law of an ancient god. I'd like to think that if Hemingway had lived he would have made the same sorts of decisions that ultimately I made."

"Brazil," which won three awards from the Los Angeles Film Critics Association even though it has not been commercially released in the United States, will be given a one-week U.S. run beginning Dec. 25 to qualify it for the 1985 Academy Awards competition. Universal Pictures' chairman, Frank Price, said that "Brazil" would be released in New York and Los Angeles and that the studio would schedule private screenings for members of the Academy of Motion Picture Arts and Sciences.

"Brazil," the subject of a long feud between its director, Terry Gilliam, and Shogun Shoenberg, president of Universal's parent, MCA Inc., won the film critics' awards Saturday for best picture, best director and best screenplay. The critics also voted Gilliam best director, and their screenplay award went to Gilliam, Tom Stoppard and Charles McKenna. "Brazil," an Orwellian nightmare about a person who defies a dehumanized, bureaucratic system and is crushed, stars Jonathan Pryce, with a cameo by Robert De Niro.

"The Color Purple" was named the best film of 1985 by the National Board of Review of Motion Pictures, and one of its stars, Whoopi Goldberg, was chosen as best actress. William Hurt and Raul Julia shared the best actor award for "Kiss of the Spider Woman." Best supporting actors were Klaus Maria Brandauer for "Out of Africa" and Anjelica Huston for "Prizzi's Honor."

George Harrison is spending £2 million (\$2.8 million) to build a mansion in Australia, the Sun newspaper reported Tuesday in London. The former Beatle's new home will be set in 6 acres (2.4 hectares) of "tropical paradise" on Hamilton Island in the Great Barrier Reef off Queensland, the daily said, adding that Harrison, 34, now lives in a mansion at Henley-on-Thames, west of London, hopes to move in by August.

A Soviet émigré opened his eyes and started talking again after nearly three weeks of a false coma, but he may still be dead, French officials charged Vladimir Leonov with theft and concealment, court and police sources in Boulogne-sur-Mer said. Leonov, 43, a resident of France since 1978, refused to speak.

Rita Lachmann has defaulted twice on initial payment of the 1.7 million Deutsche marks (then \$646,000) she bid Oct. 21 for a famous pair of stamps, Stern magazine said Tuesday. The canceled blue and orange-red one-penny Mauritius stamps are still in the safe of a Hamburg auctioneer. Stern said it suspected that the German-born Lachmann, former wife of the late Revlon chief, Charles Lachmann, bid for the stamps as a publicity stunt. She Lachmann told the magazine, "In the United States, big people don't have to pay for a big deal at once."

Queen Elizabeth II has refused to block Britain's royal warrants on cigarette packs. An opposition politician, Enrie Rowley, had asked the queen to review the policy last January after her sister, Princess Margaret, a heavy smoker, had what proved to be minor surgery.

President François Mitterrand of France and Jack Lang, minister of culture, inaugurated the revamped National Museum of Modern Art at the Pompidou Center on Tuesday. Part of the gallery was reopened last spring.

INTERNATIONAL CLASSIFIED

ANNOUNCEMENTS

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PERSONALS

MARY HUNTER, Con' with Dec. 22 at 10:00 am, 2222, Kolumbia Ave., 888-0111, 2222, Kolumbia Ave., 888-0111, 2222, Kolumbia Ave., 888-0111.

HAVE A NICE DAY! BOKER, Have a nice day!

SHAIN MEADOW, Con' with Dec. 22 at 10:00 am, 2222, Kolumbia Ave., 888-0111, 2222, Kolumbia Ave., 888-0111, 2222, Kolumbia Ave., 888-0111.

MY DEAR HENRI, have a happy 20th birthday. I love you, Ulrich.

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